

***SCHOOL DISTRICT  
OF  
BOROUGH OF JAMESBURG***

***JAMESBURG  
BOARD OF EDUCATION***

***COUNTY OF MIDDLESEX  
JAMESBURG, NEW JERSEY***

***COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR  
ENDED JUNE 30, 2015***

**JAMESBURG SCHOOL DISTRICT  
COUNTY OF MIDDLESEX, NEW JERSEY**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
JUNE 30, 2015**

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# **INTRODUCTORY SECTION**

**JAMESBURG PUBLIC SCHOOLS**  
**BOARD OF EDUCATION**  
13 AUGUSTA STREET  
JAMESBURG, NEW JERSEY 08831

November 17, 2015

Honorable President and  
Members of the Board of Education  
Jamesburg School District  
County of Middlesex, New Jersey

The comprehensive annual financial report of the Jamesburg School District (District) for the fiscal year ended June 30, 2015, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections; introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the general purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multiyear basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*; and New Jersey OMB' s Circular Letter 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and are not a required part of the general-purpose financial statements. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws, regulations, findings and recommendations, are included in the single audit section of this report.

1) **REPORTING ENTITY AND ITS SERVICES:** The Jamesburg District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA ST. No.3. All funds and account groups of the District are included in this report. The Jamesburg Board of Education and all its schools constitute the District's reporting entity. The District provides a full range of educational services appropriate to grade levels K through 8. These include regular and vocational; as well as special education for handicapped youngsters. The District completed the 2014-2015 fiscal year with an enrollment of 651 students, which is 8 students more the previous year's enrollment. The following details the changes in the student enrollment of the District over the last five years.

Fiscal Year	AVERAGE DAILY ENROLLMENT	
	Student Enrollment	Percent Change
2014-2015	651	1.24%
2013-2014	643	4.55%
2012-2013	615	-3.45%
2011-2012	637	-2.90%
2010-2011	656	5.63%
2009-2010	621	.016%
2008-2009	620	-1.43%

2.) **ECONOMIC CONDITION AND OUTLOOK:** The Jamesburg area is experiencing stability in real estate values after a previous period of declining real estate values. There has also been a steady increase in new business/restaurant opportunities after a previous decrease in the number of businesses relocating to the area, resulting in an increase in employment opportunities and in commercial tax base and ratables.

3.) **MAJOR INITIATIVES:** The Jamesburg Board of Education has met state mandated requirements for education and passed its QSAC self monitoring review.

As part of its governance initiatives for the 2013-14 and 2014-15 school years, the Board has emphasized the importance of building maintenance by developing a comprehensive action plan to keep school facilities in the best condition possible. The plan includes the creation of a Supervisor of Building and Grounds position, developing ongoing building maintenance schedules, creating an annual painting calendar, and aggressively securing resources necessary to correct current deficiencies across the two buildings. In addition, the Board is investigating updating of the district's phone system and improving security by installing additional security cameras both inside and outside of the buildings.

Educationally, emphasis will be given to supporting the struggling K-8 students in the areas of language art and math. These supports include the development and implementation of a comprehensive ESL action plan, evaluating programs, expanding technology and reviewing staff allocations across the district. Jamesburg high school age students attend Monroe Township High School. Jamesburg pays tuition for these students in a formal sending-receiving relationship with Monroe Township School District.

4.) **INTERNAL ACCOUNTING CONTROLS:** Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District management.

As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

5.) **BUDGETARY CONTROLS:** In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget as presented and approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2015.

6.) **ACCOUNTING SYSTEMS AND REPORTS:** The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements", Note 1.

7.) **FINANCIAL INFORMATION AT FISCAL YEAR-END:** As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedule presents a summary of the general fund, special revenue fund and debt service fund revenues for the fiscal year ended June 30, 2015 and the amount and percentage of increases in relation to prior year revenues.

<u>Revenue</u>	<u>Amount</u>	<u>Percentage of Total</u>	<u>Increase (Decrease) from 2014</u>	<u>Increase (Decrease)</u>
Local Sources	\$ 7,760,516.23	54.41%	\$ 135,274.69	1.77%
State Sources	6,108,327.89	42.82%	209,892.87	3.56%
Federal Sources	395,010.80	2.77%	(43,351.38)	(9.89)%
<b>TOTALS</b>	<b>\$ <u>14,263,854.92</u></b>	<b><u>100.00%</u></b>	<b>\$ <u>301,816.18</u></b>	<b><u>2.16%</u></b>

The increase in Local sources is attributed to an increase in the local tax levy of \$143,671.00 offset by a decrease in miscellaneous and other revenues of \$8,396.31.

The increase in State sources is attributed to an increase in extraordinary aid and security aid of \$40,234 and an increase in on-behalf state payments of and last state aid payment adjustments of \$169,658.87.

The decrease in Federal sources is due mostly to the decrease of \$41,284 in IDEA grant awards.

The following schedule presents a summary of general fund; special revenue fund, and debt service fund expenditures for the fiscal year ended June 30, 2015 and the percentage of increases and decreases in relation to prior year amounts.

<u>Expenditures</u>	<u>Amount</u>	<u>Percentage of Total</u>	<u>Increase (Decrease) From 2014</u>	<u>Percent of Increase (Decrease)</u>
Current Expense:				
Instruction	\$ 3,192,668.56	22.71%	\$ 49,861.62	1.59%
Undistributed expenditures	9,827,910.35	69.90%	81,844.07	0.84%
Capital Outlay	62,162.39	0.44%	58,358.39	1534.13%
Special Revenue	463,894.24	3.65%	(18,151.49)	(3.41)%
Debt Service:				
Principal	390,000.00	2.77%	45,000.00	4.55%
Interest	123,272.11	0.88%	(2,855.39)	(8.39)%
<b>TOTALS</b>	<b>\$ <u>14,059,907.65</u></b>	<b><u>100.00%</u></b>	<b>\$ <u>181,309.09</u></b>	<b><u>1.31%</u></b>

The increase in Current Expense - Instruction is attributed to a new preschool disabled program started in January 2015 for a cost of \$53,176.54, and a net decrease of \$3,314.92 mainly from an increase in salaries and a decrease in resource room expenditures.

The increase in Current Expense - Undistributed expenditures is attributed mainly to an increase in health benefits/employee benefits of \$150,564 and required maintenance new position and expenditures of \$84,961, offset by a net decrease of \$177,166.61, mainly from an increase in salaries and a decrease in student transportation and tuition.

The increase in capital outlay is attributed to a one time expenditure for technology server equipment upgrades of \$34,927 and architectural fees of \$23,431.39 relating to construction project.

The increase in debt service is due to an increase in principal payments and a decrease in interest payments on the bonds.

8.) **DEBT ADMINISTRATION:** At June 30, 2015, the District's outstanding debt issues included \$2,370,000 of general obligation bonds. In July 2014, the District refunded bonds totaling \$2,840,000.

9.) **CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units for a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

10.) **RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

11.) **OTHER INFORMATION:** Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Hodulik and Morrison, PA was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 and amendments of 1996 and the related OMB Circular A-133 and state Treasury Circular Letters 04-04 OMB. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

12.) **ACKNOWLEDGMENTS:** We would like to express our appreciation to the members of the Jamesburg School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of the financial and accounting staff.

Respectfully submitted,

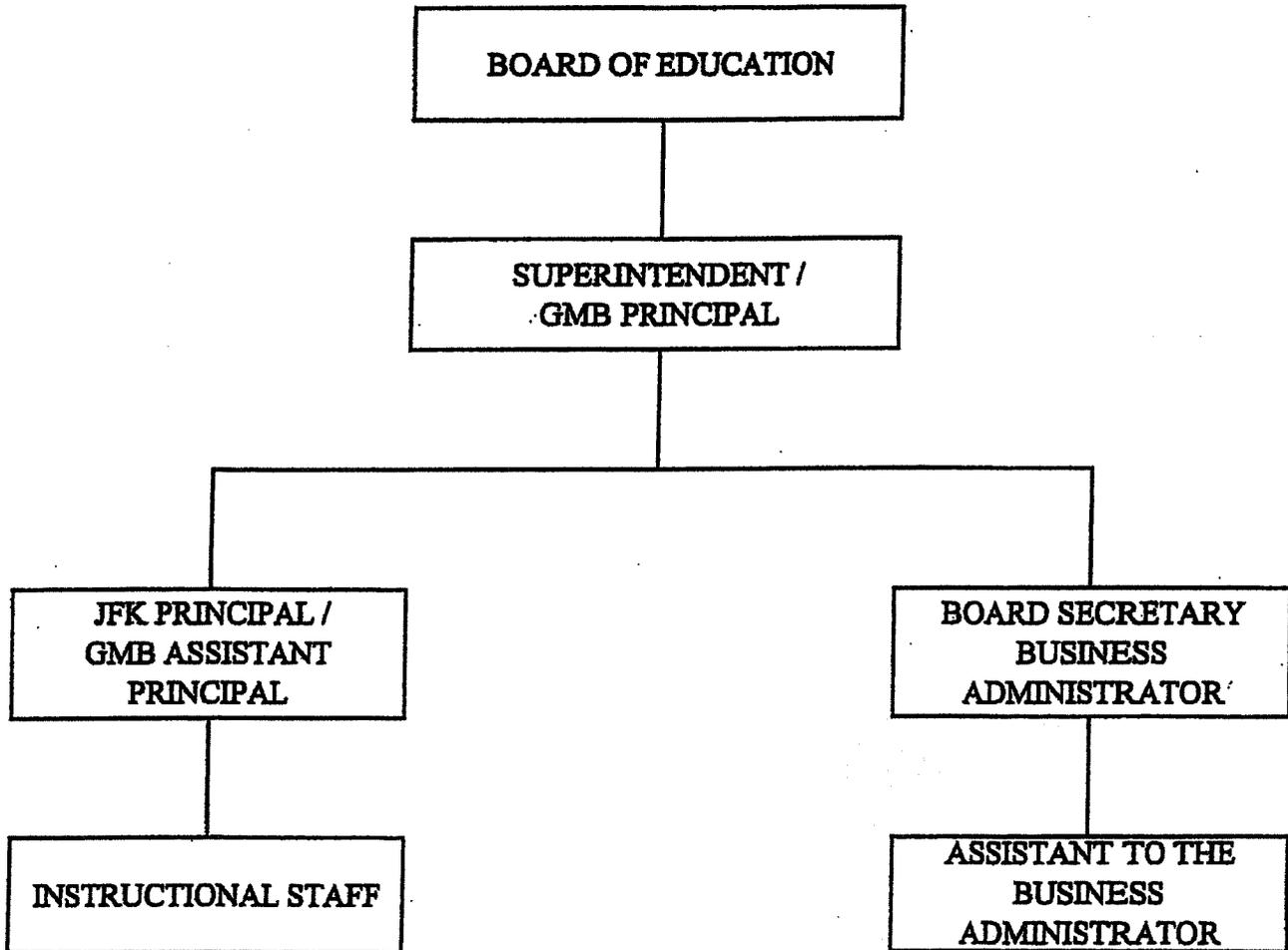


Brian Betze  
Superintendent



Beth Brooks  
School Business Administrator/Board Secretary

**JAMESBURG BOARD OF EDUCATION**  
**Organizational Chart**  
**(Unit Control)**



**BOARD OF EDUCATION  
BOROUGH OF JAMESBURG**

**ROSTER OF OFFICIALS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

<b><u>Members of the Board of Education</u></b>		<b><u>Term Expires*</u></b>
<b>Robert Czarneski</b>	<b>President</b>	<b>2018</b>
<b>Daniel Hansen</b>	<b>Vice President</b>	<b>2016</b>
<b>Salvatore Brucato</b>	<b>Member</b>	<b>2017</b>
<b>William Cicoria</b>	<b>Member</b>	<b>2016</b>
<b>Elliott Stroul</b>	<b>Member</b>	<b>2018</b>
<b>Linda Newton</b>	<b>Member</b>	<b>2017</b>
<b>William Maresca</b>	<b>Member</b>	<b>2017</b>
<b>Paul Rutsky</b>	<b>Member</b>	<b>2018</b>
<b>Samuel Lawrence</b>	<b>Member</b>	<b>2016</b>

**Other Officials**

**Superintendent of Schools – Mr. Brian Betze**

**Beth Brooks, CPA, Business Administrator/Board Secretary**

**Denise Jawidzik, Treasurer of School Funds**

**Stephen Bacigalupo II, Esq.**

**BOARD OF EDUCATION  
BOROUGH OF JAMESBURG  
CONSULTANTS AND ADVISORS**

**Audit Firm**

**Hodulik & Morrison, P.A.  
1102 Raritan Avenue  
Highland Park, New Jersey 08904**

**Attorney**

**Schwartz, Simon, Edelstein & Celso LLC  
Attorneys at Law  
100 South Jefferson Road Suite 200  
Whippany, New Jersey 07981**

**Official Depository**

**PNC Bank  
Two Tower Blvd.  
East Brunswick, New Jersey 08816**

**FINANCIAL SECTION**

**HODULIK & MORRISON, P.A.**  
CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS  
PUBLIC SCHOOL ACCOUNTANTS  
1102 RARITAN AVENUE, P.O. BOX 1450  
HIGHLAND PARK, NJ 08904  
(732) 393-1000  
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ANDREW G. HODULIK, CPA, RMA, PSA  
ROBERT S. MORRISON, CPA, RMA, PSA

JO ANN BOOS, CPA, PSA

MEMBERS OF:  
AMERICAN INSTITUTE OF CPA'S  
NEW JERSEY SOCIETY OF CPA'S  
REGISTERED MUNICIPAL ACCOUNTANTS OF N

**INDEPENDENT AUDITOR'S REPORT**

Honorable President and Members  
of the Board of Education  
Jamesburg School District  
Jamesburg, New Jersey

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Jamesburg School District, in the County of Middlesex, State of New Jersey, as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Jamesburg Board of Education's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that our audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Jamesburg School District, in the County of Middlesex, State of New Jersey, as of June 30, 2015 and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### **Emphasis of Matter**

As discussed in Note 1 to the financial statements, during the fiscal year ending June 30, 2015, the Jamesburg School District implemented the provisions of Statement Number 68 of the Governmental Accounting Standards Board (GASB 68). GASB 68 changed the measurement criteria and reporting provisions relating to the District's proportionate share (if any), of the net pension liability of the defined benefit pension plans in which its employees are enrolled. The accompanying statement of net position discloses the District's net pension liability and pension plan related deferred outflows and deferred inflows of financial resources. The accompanying statement of activities and Note 16 to the financial statements disclose the adjustments to the District's beginning net position based upon GASB 68 implementation. Our opinion is not modified with respect to this matter.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, including the Notes thereto, and pension plan information, including the Notes thereto, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the *Governmental Accounting Standards Board*, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economical, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Board of Education of the Jamesburg School District's basic financial statements taken as a whole. The accompanying other supplementary information, consisting of the combining and individual fund financial statements and long-term debt schedules as listed in the table of contents, the schedule of expenditures of federal awards as required by U.S. Office of Management and Budget Circular A- 133, *Audits of States, Local Governments, and Non-Profit Organizations*; and schedule of expenditures of state financial assistance as required by New Jersey OMB's Circular 04-04, and the other information including the introductory section and the statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual fund financial statements, long-term debt schedules, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the

basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and long-term debt schedules, schedule of expenditures of federal awards and the schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the financial statements as a whole.

The introductory section and statistical section have not been subjected to auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 17, 2015 on our consideration of the Board of Education of the Jamesburg School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Jamesburg School District's internal control over financial reporting and compliance.

*Hodulik & Morrison, P.A.*

HODULIK & MORRISON, P.A.  
Certified Public Accountants  
Public School Accountants



Robert S. Morrison  
Public School Accountant  
PSA # 871

Highland Park, New Jersey  
November 17, 2015

**REQUIRED SUPPLEMENTARY  
INFORMATION**

**PART I**

**Jamesburg Board of Education  
Jamesburg, New Jersey  
Middlesex County**

**MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)  
(Unaudited)  
June 30, 2015**

The Jamesburg School District (the "District") discussion and analysis is designed to provide an overview of the District's financial activities for the year ended June 30, 2015, identify changes in the District's financial position, identify any material deviations from the financial plan (the approved budget), and identify individual fund issues or concerns.

The focus of the Management Discussion and Analysis (MD&A) is on current year activities, resulting changes and currently known facts. The MD&A should be read in conjunction with the Transmittal Letter and the District's Financial Statements.

**FINANCIAL HIGHLIGHTS**

The key financial highlights for the 2014-2015 fiscal year include the following:

- Net position of governmental activities increased \$196,643.27 represents a 195.12% increase from fiscal year 2014. Net position of business-type activities increased \$48,425.71 or 14.44% from fiscal year 2014.
- General Revenues accounted for \$7,445,972.43 in revenue or 54% of all revenues. Program specific revenues, in the form of charges for services and sales, grants and contributions accounted for \$6,350,229.49 or 46% of total revenues of \$13,796,201.92.
- Total assets of governmental activities decreased by \$523,886.21 primarily from a reduction of cash and cash equivalents.
- The School District had \$13,599,558.65 in expenses related to governmental activities. General revenues (primarily property taxes and grants and entitlements) of \$13,796,201.92 were generally adequate to provide for these programs.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the district:

- The first two statements are district-wide financial statements that provide both short-term and long-term information about the district's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the district, reporting the district's operations in more detail than the district-wide statements.
- The governmental funds statements tell how basic services such as regular and special education were financed in the short term as well as what remains for future spending.
- Proprietary funds statements offer short- and long-term financial information about the activities the district operated like businesses, such as food services.
- Fiduciary funds statements provide information about the financial relationship in which the district acts solely as a trustee or agent for the benefits of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the district's budget for the year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

**Figure A-1**  
***Organization of the School District Annual Financial Report***

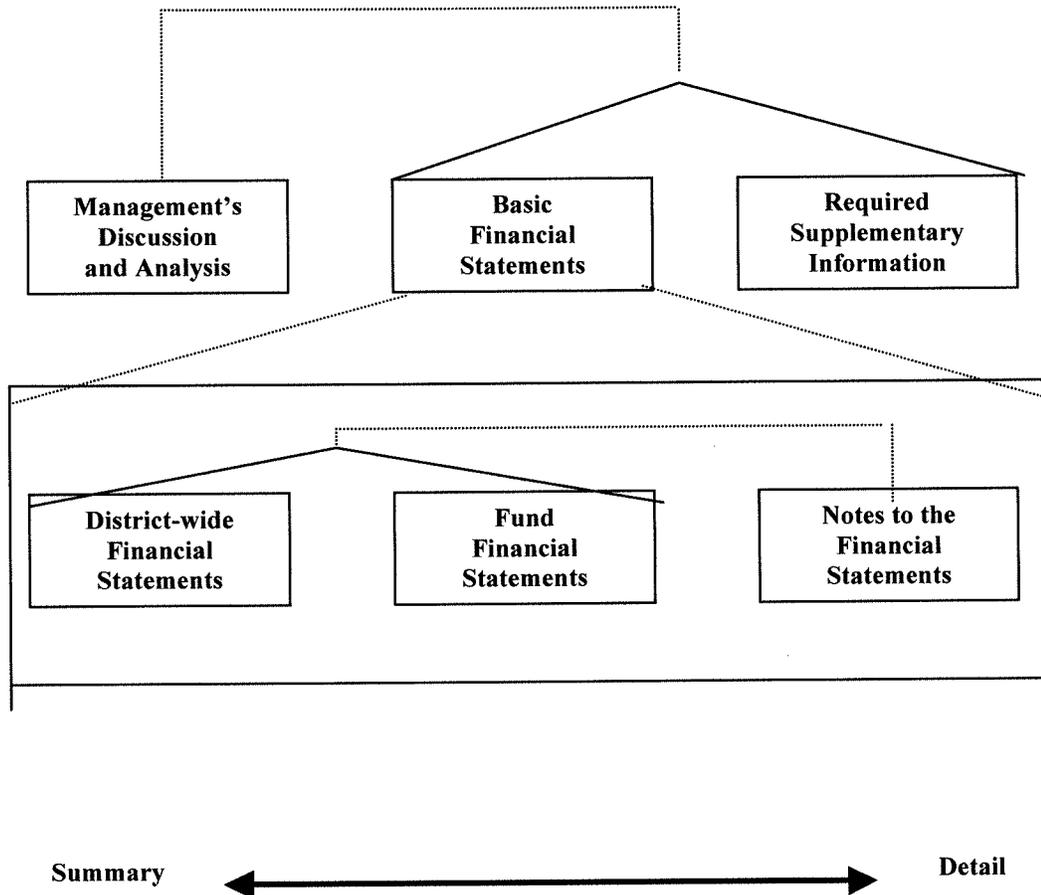


Figure A-2 summarizes the major features of the district's financial statements, including the portion of the district's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights that structure and contents of each of the statements.

Figure A-2 Major Features of the District-Wide and Fund Financial Statements				
	District-Wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as special education and building maintenance	Activities the district operates similar to private businesses: food services and adult education	Instances in which the district administers resources on behalf of someone else, such as scholarship programs and student activities monies
Required financial Statements	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance Sheet</li> <li>• Statement of revenues, expenditures, and changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of cash flows</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of fiduciary net position</li> <li>• Statement of changes in fiduciary net position</li> </ul>
Accounting Basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset / liability information	All assets, liabilities, Deferred inflows/outflows of resources, financial and capital, short-term and long term.	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

## District-wide Statements

The district-wide statements report information about the district as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the district's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two district-wide statements report the district's net position and how they have changed. Net position - the difference between the district's assets and liabilities - is one way to measure the district's financial health or position.

- Over time, increases or decreases in the district's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the district's overall health, you need to consider that the school district's goal is to provide services to students, not to generate profit as commercial entities do. One must consider many other non-financial factors, such as the quality of the education provided and the safety of the schools to assess the overall health of the district.

In the district-wide financial statements, the district's activities are divided into two categories:

- **Governmental activities:** Most of the district's basic services are included here, such as regular and special education, transportation, and administration. Property taxes and state formula aid finance most of these activities.
- **Business-type activities:** The district charges fees to help it cover the costs of certain services it provides. The district's food services and latch key program are included here.

## Fund Financial Statements

The fund financial statements provide more detailed information about the district's funds, focusing on its most significant or "major" funds – not the district as a whole. Funds are accounting devices the district uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by state law and by bond covenants.
- The district establishes other funds to control and manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenues (such as federal grants).

The district has three kinds of funds:

- **Governmental funds:** Most of the district's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the district's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them.
- **Proprietary funds:** Services for which the district charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements. The district's enterprise funds (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flows.

- Fiduciary funds: The district is the trustee, or fiduciary, for assets that belong to others, such as the scholarship fund and the student activities funds. The district is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The district excludes these activities from the district-wide financial statements because it cannot use these assets to finance its operations.

#### FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The school district's Governmental Activities net position were \$297,425.27 at June 30, 2015. Of this amount, (\$2,543,894.79) was unrestricted. Restricted net position are reported separately to show legal constraints from debt covenants and enabling legislation that limit the school district's ability to use those net assets for day-to-day operations. Our analysis below focuses on the net position (Figure A-3) and change in net position (Figure A-4) of the school district's governmental activities.

Figure A-3  
Net Position

	Governmental Activities <u>2014*</u>	Governmental Activities <u>2015</u>	% Increase (Decrease)
Current and other assets	\$ 720,661.87	\$ 732,262.66	1.61
Capital assets	<u>4,913,745.00</u>	<u>4,378,258.00</u>	<u>(10.90)</u>
Total assets	<u>\$5,634,406.87</u>	<u>\$5,110,520.66</u>	<u>(9.30)</u>
Deferred Outflows of Resources	<u>80,721.00</u>	<u>186,719.48</u>	<u>131.31</u>
Total Deferred Outflows	<u>80,721.00</u>	<u>186,719.48</u>	<u>131.31</u>
Current and other liabilities	652,926.37	\$ 388,196.77	(40.55)
Long-term liabilities	<u>4,961,419.50</u>	<u>4,493,476.37</u>	<u>(12.06)</u>
Total liabilities	<u>5,614,345.87</u>	<u>4,881,673.14</u>	<u>(15.37)</u>
Deferred Inflows of Resources	<u>0.00</u>	<u>118,142.00</u>	100.00
Total Deferred Inflows	<u>0.00</u>	<u>118,142.00</u>	100.00
Net position:			
Invested in capital assets, net of debt	2,073,745.00	2,008,258.00	(3.16)
Restricted	815,127.85	833,062.06	(8.76)
Unrestricted	<u>(2,788,090.85)</u>	<u>(2,543,894.79)</u>	<u>2.20</u>
Total net position	<u>\$100,782.00</u>	<u>\$297,425.27</u>	<u>195.12</u>

- Reflects restatement to implement GASB Statement No. 68.

The (\$2,543,894.79) in unrestricted net position of governmental activities represents the accumulated results of all past years' operations. The total net position of \$297,425.27 for the Governmental Activities at June 30, 2015 indicates that, if the District's non-cash assets were sold for book value and all the liabilities of the District were paid, a net cash balance of \$140,259.46 would remain.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (Continued)

The results of this year's operations for the school district Governmental Activities as a whole are reported in the Statement of Activities. Figure A-4, below, takes the information from that Statement, rounds off the numbers, and rearranges them slightly so you can see our total revenues and expenses for the year.

Figure A-4

Activity Results for Years Ended

	<u>June 30, 2014</u>	<u>June 30, 2015</u>	<u>% Increase/ (Decrease)</u>
<b>Revenues:</b>			
Program revenue			
State grants & entitlements	<u>\$6,276,125.54</u>	<u>\$6,350,229.49</u>	<u>1.18</u>
General Revenue			
Local tax levy	7,604,931.00	7,748,602.00	1.89
Federal and State aid	142,585.66	130,288.00	(8.62)
Miscellaneous revenues (Incl. Special items & Transfers)	<u>9,105.54</u>	<u>(432,917.57)</u>	<u>(4,8544.44)</u>
Total Revenues	<u>\$14,032,747.74</u>	<u>\$13,796,201.92</u>	<u>1.69</u>
<b>Functions/Program Expenses:</b>			
Instruction			
Regular programs	2,351,573.42	2,305,317.51	(1.97)
Special programs	1,052,581.82	1,042,056.34	(1.00)
Other Instructional programs	118,747.88	98,181.26	1.06
Support Services			
Student services	809,813.22	805,017.68	(0.59)
Tuition	4,846,564.07	4,735,533.73	(2.29)
Instructional staff support			
General administration and Business services	549,720.38	654,811.54	19.12
School administration	354,760.11	318,253.71	(10.29)
Plant services	477,244.53	618,215.80	29.54
Student transportation services	658,207.36	574,328.94	(12.74)
Unallocated benefits	2,225,154.77	2,270,983.03	2.06
Unallocated depreciation and amortization		64,578.67	100.00
Interest on long-term debt	<u>121,024.38</u>	<u>112,280.44</u>	<u>(7.22)</u>
Total Expenses	<u>\$13,565,391.94</u>	<u>\$13,599,558.65</u>	<u>0.25</u>
<i>Increase/-decrease in net position</i>	<u>\$467,355.80</u>	<u>\$196,643.27</u>	<u>(57.92)</u>

Governmental Activities

As reported in the Statement of Activities, the cost of all our governmental activities this year was \$13,599,558.65. These costs were financed by \$7,748,602.00 in local property school taxes, \$6,350,229.49 in federal and state aid and \$140,901.43 in miscellaneous revenues including interest, tuition, general entitlements, special items and transfers.

In Figure A-5, below, we have presented the cost of each of the school district’s seven largest functions as listed below. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by the function.

Figure A-5  
Governmental Activities  
Total Cost of Services

	<u>Year Ended</u> <u>June 30, 2014</u>	<u>Year Ended</u> <u>June 30, 2015</u>
Regular programs instruction	\$2,351,573.42	\$2,305,317.51
Unallocated benefits	2,225,154.77	2,270,983.03
Student services	809,813.22	805,017.68
Special Program instruction	1,052,581.82	1,042,056.34
Plant services	477,244.53	618,215.80
School Administration	354,760.11	318,253.71
All others	<u>6,294,264.07</u>	<u>6,239,714.58</u>
Total	<u>\$13,565,391.94</u>	<u>\$13,599,558.65</u>

Financial Analysis of the District’s Funds

As we noted earlier, the school district uses funds to help it control and manage money for particular purposes. Looking at funds helps you consider whether the school district is being accountable for the resources provided to it, and also, gives more insight into the school district’s overall financial health.

As the school district completed this year, our governmental funds reported a combined fund balance of \$406,831.22, which is an increase of \$264,924.72 from last year. Also, as noted previously, the reported governmental fund balance is impacted by the non-recognition, on a GAAP basis, of State Aid payments deferred to July 2015 in the combined amount of \$644,102.00.

## General Fund Budgetary Highlights

Over the course of the year, the school district revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. Budget changes/transfers are approved by the Board of Education throughout the year. Although the district's projected budget for the general fund anticipated that revenues and expenditures would be roughly equal, the actual results for the year show a deficit.

Actual revenues reflect a positive variance of \$814,146.99. This is primarily due to the non-budgeted employer on-behalf TPAF pension, post retirement medical and social security contributions of \$746,008.25 made by the State of New Jersey.

Actual expenditures reflect a positive variance of \$150,042.44 excluding the unbudgeted on-behalf payments, the true favorable budgetary variance was \$388,287.13. This is primarily due to a reduction of staff throughout the year.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

At June 30, 2015, the school district reported \$10,009,543.00 invested in a broad range of capital assets, including land, buildings, building improvements, other improvements and furniture and equipment. This amount represents no change from the prior year.

Figure A-6  
Capital Assets at Year-End

<u>Governmental Activities</u>	<u>2014</u>	<u>2015</u>
Sites	\$46,300.00	\$0.00
Buildings and Improvements	8,986,519.00	7,904,787.00
Furniture, Equipment and Vehicles	<u>976,724.00</u>	<u>1,594,404.00</u>
Total	<u>\$10,009,543.00</u>	<u>\$9,499,191.00</u>

A physical inventory was taken as at June 30, 2015.

### Long-Term Debt

At the end of this year, the school district had \$2,840,000.00 in bonds outstanding versus \$3,185,000.00 the previous year – a decrease of 10,83%. The long-term debt at of the District consisted of:

Figure A-7  
Outstanding Debt, at Year-End  
Governmental Activities

	<u>2014</u>	<u>2015</u>
General obligation bonds	<u>\$2,840,000.00</u>	<u>\$2,370,000.00</u>
Total	<u>\$2,840,000.00</u>	<u>\$2,370,000.00</u>

The school district's general obligation bond rating continues to be above investment grade. The state limits the amount of general obligation debt that Districts can issue to 4% (for K through 8 districts) of the most recent three-year average state equalized assessed value of the taxable property within the school district's corporate limits. The school district's outstanding and authorized but not issued general obligation refunding debt of \$2,370,000.00 at June 30, 2015 is significantly below the \$15,347,625.85 statutorily-imposed limit. See the Notes to the Financial Statements and Schedule J-13 for additional information.

Other obligations include accrued vacation pay and sick leave. We present more detailed information about our long-term liabilities in the notes to the financial statement.

#### CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

Our financial report is designed to provide our citizens, taxpayers, parents, students, investors and creditors with a general overview of the school district's finances and to show the school district's accountability for the money it received. If you have questions about this report or wish to request additional financial information, contact Beth Brooks, CPA, Business Administrator/Board Secretary, at 13 Augusta Street, Jamesburg, New Jersey, 08831.

## **BASIC FINANCIAL STATEMENTS**

**DISTRICT-WIDE FINANCIAL STATEMENTS**

**SECTION – A**

JAMESBURG SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2015

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 560,341.41	\$ 353,192.66	\$ 913,534.07
Receivables, net	171,921.25	16,766.73	188,687.98
Inventory		7,271.04	7,271.04
Capital assets, net (Note 3):	<u>4,378,258.00</u>	<u>14,390.58</u>	<u>4,392,648.58</u>
Total Assets	<u>5,110,520.66</u>	<u>391,621.01</u>	<u>5,502,141.67</u>
 <b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>			
Change in Pension Assumptions	57,648.00		57,648.00
Pension Payment Subsequent to Measurement Date	80,307.00		80,307.00
Deferred Amount on Refunding	<u>48,764.75</u>		<u>48,764.75</u>
Total Deferred Outflows of Resources	<u>186,719.75</u>	<u>-</u>	<u>186,719.75</u>
 <b>LIABILITIES</b>			
Accounts payable	340,041.37	6,176.48	346,217.85
Accrued interest payable	36,458.33		36,458.33
Interfund Payable	7,777.51		7,777.51
Deferred Revenue	3,919.56	1,710.90	5,630.46
Noncurrent liabilities (Note 4):			
Due within one year	391,700.00		391,700.00
Due beyond one year	2,268,510.37		2,268,510.37
Net Pension Liability	<u>1,833,266.00</u>		<u>1,833,266.00</u>
Total liabilities	<u>4,881,673.14</u>	<u>7,887.38</u>	<u>4,889,560.52</u>
 <b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Difference in Pension Earnings	109,253.00		109,253.00
Change in Pension Proportion	<u>8,889.00</u>		<u>8,889.00</u>
Total Deferred Inflows of Resources	<u>118,142.00</u>	<u>-</u>	<u>109,253.00</u>
 <b>NET POSITION</b>			
Invested in capital assets, net of related debt	2,008,258.00	14,390.58	2,022,648.58
Restricted for:			
Debt service	26,334.53		26,334.53
Other purposes	806,727.53		806,727.53
Unrestricted (Deficit)	<u>(2,543,894.79)</u>	<u>369,343.05</u>	<u>(2,174,551.74)</u>
Total net position	<u>\$ 297,425.27</u>	<u>\$ 383,733.63</u>	<u>\$ 681,158.90</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

JAMESBURG SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2015

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental activities:</b>						
Instruction:						
Regular	\$2,305,317.51		416,465.00	(\$1,888,852.51)		(\$1,888,852.51)
Special education	1,042,056.34		721,508.35	(320,547.99)	-	(320,547.99)
Other special instruction	96,921.26			(96,921.26)	-	(96,921.26)
Other instruction	1,260.00			(1,260.00)	-	(1,260.00)
Support services:						
Tuition	4,735,533.73		4,369,351.00	(366,182.73)	-	(366,182.73)
Student & instruction related services	805,017.68			(805,017.68)	-	(805,017.68)
School administrative services	318,253.71		103,035.89	(215,217.82)	-	(215,217.82)
General and business administrative services	654,811.54			(654,811.54)	-	(654,811.54)
Plant operations and maintenance	618,215.80			(618,215.80)	-	(618,215.80)
Pupil transportation	574,328.94		17,983.00	(556,345.94)	-	(556,345.94)
Unallocated benefits	2,270,983.03		721,886.25	(1,549,096.78)	-	(1,549,096.78)
Interest and other costs on long-term debt	112,280.44			(112,280.44)	-	(112,280.44)
Unallocated depreciation and amortization	64,578.67			(64,578.67)	-	(64,578.67)
Total governmental activities	<u>13,599,558.65</u>		<u>6,350,229.49</u>	<u>(7,249,329.16)</u>	<u>-</u>	<u>(7,249,329.16)</u>
<b>Business-type activities:</b>						
Food Service	277,458.37	100,582.00	203,140.67		26,264.30	26,264.30
Child Care	190,596.13	212,757.54			22,161.41	22,161.41
Total business-type activities	<u>468,054.50</u>	<u>313,339.54</u>	<u>203,140.67</u>		<u>48,425.71</u>	<u>48,425.71</u>
Total primary government	<u>\$14,067,613.15</u>	<u>\$313,339.54</u>	<u>6,553,370.16</u>	<u>(\$7,249,329.16)</u>	<u>\$48,425.71</u>	<u>(\$7,200,903.45)</u>
<b>General revenues:</b>						
Taxes:						
				7,410,010.00		7,410,010.00
				338,592.00		338,592.00
				130,288.00		130,288.00
				10,613.43		10,613.43
				(436,828.00)		(436,828.00)
				(6,703.00)		(6,703.00)
				<u>7,445,972.43</u>	<u>-</u>	<u>7,445,972.43</u>
				196,643.27	48,425.71	245,068.98
Net Position—beginning				1,982,685.00	335,307.92	2,317,992.92
Prior Period Adjustment - GASB 68 Implementation				(1,881,903.00)		(1,881,903.00)
Net Position—ending				<u>\$297,425.27</u>	<u>\$383,733.63</u>	<u>\$681,158.90</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**FUND FINANCIAL STATEMENTS**

**SECTION – B**

**GOVERNMENTAL FUNDS**

JAMESBURG SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2015

Exhibit B-1  
Page 1 of 2

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 526,532.89	\$ 7,473.99	\$ 26,334.53	\$ 560,341.41
Receivables, Net:				-
Due from Other Funds	119,792.23			119,792.23
Receivables from Other Governments	62,453.45	109,467.80		171,921.25
				-
<b>Total Assets</b>	<b>708,778.57</b>	<b>116,941.79</b>	<b>26,334.53</b>	<b>852,054.89</b>
<b>LIABILITIES AND FUND BALANCES:</b>				
<b>Liabilities:</b>				
Accounts Payable	259,734.37			259,734.37
Interfund Payable	7,777.51	119,792.23		127,569.74
Deferred Revenue		3,919.56		3,919.56
				-
<b>Total Liabilities</b>	<b>267,511.88</b>	<b>123,711.79</b>	<b>-</b>	<b>391,223.67</b>
<b>Fund Balances:</b>				
<b>Restricted For:</b>				
<b>Excess Surplus</b>				
Capital Reserve Account	550,857.60			550,857.60
Emergency Reserve	75,054.93			75,054.93
Maintenance Reserve	180,815.00			180,815.00
<b>Committed For:</b>				
Year - End Encumbrances	11,514.39			11,514.39
<b>Assigned Fund Balance:</b>				
<b>Designated for Subsequent</b>				
Year's Expenditures	106,889.00		23,228.00	130,117.00
Debt Service Fund			3,106.53	3,106.53
<b>Unassigned, Reported In:</b>				
General Fund	(483,864.23)	(6,770.00)		(490,634.23)
<b>Total Fund Balances</b>	<b>441,266.69</b>	<b>(6,770.00)</b>	<b>26,334.53</b>	<b>460,831.22</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 708,778.57</b>	<b>\$ 116,941.79</b>	<b>\$ 26,334.53</b>	<b>\$ 852,054.89</b>

JAMESBURG SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2015

Exhibit B-1  
Page 2 of 2

Amounts reported for <i>governmental activities</i> in the statement of net position (A-1) are different because:	\$	460,831.22
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$9,499,191.00 and the accumulated depreciation is \$5,120,933.00.		4,378,258.00
Long term liabilities, including bonds payable, are not due and and payable in the current period and therefore are not reported as liabilities in the funds.		(2,529,855.75)
Short-term liabilities, including accrued interest on long-term debt, are not due and payable in the current period and therefore are not reported as liabilities in the funds.		(36,458.33)
<p>The Net Pension Liability, and associated Deferred Inflows and Outflows of Resources of the District relating to its participation in the PERS system are not recognized in the funds using the current financial resources measurement focus, but are recognized in the statement of net position using the economic resources measurement focus. Carrying amounts are as follows:</p>		
Deferred Outflows of Resources:		
Change in Pension Assumptions		57,648
Pension Payment Subsequent to Measurement Date		80,307
Accounts Payable for Pension Expense		(80,307)
Net Pension Liability		(1,833,266)
Deferred Inflows of Resources:		
Difference in Pension Earnings		(109,253)
Change in Pension Proportion		(8,889.00)
Transactions related to a current refunding of long-term debt, refinancing of lease agreements are not reported in the funds:		
Issuance premium, net of amortization		(130,354.62)
Deferred Amount on refunding, net of amortization		<u>48,764.75</u>
Net position of governmental activities.	\$	<u><u>297,425.27</u></u>

JAMESBURG SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2015

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES:</b>				
Local Tax Levy	\$ 7,410,010.00	\$	\$ 338,592.00	\$ 7,748,602.00
Miscellaneous	7,567.74		3,045.69	10,613.43
Local Sources		1,300.80		1,300.80
State Sources	5,909,675.25	68,364.64	130,288.00	6,108,327.89
Federal Sources		395,010.80		395,010.80
<b>Total Revenues</b>	<b>13,327,252.99</b>	<b>464,676.24</b>	<b>471,925.69</b>	<b>14,263,854.92</b>
<b>EXPENDITURES:</b>				
Current:				
Regular Instruction	2,416,988.51			2,416,988.51
Special Education Instruction	677,498.79	364,557.55		1,042,056.34
Other Special Instruction	96,921.26			96,921.26
Other Instruction	1,260.00			1,260.00
Support Services and Undistributed Costs:				
Tuition	4,735,533.73			4,735,533.73
Student & Instruction Related Services	705,680.99	99,336.69		805,017.68
School Administrative Services	318,253.71			318,253.71
Other Administrative Services	619,884.54			619,884.54
Plant Operations and Maintenance	594,784.41			594,784.41
Pupil Transportation	574,328.94			574,328.94
Unallocated Benefits	2,279,444.03			2,279,444.03
Debt Service:				
Principal			390,000.00	390,000.00
Interest and Other Charges			123,272.11	123,272.11
Capital Outlay	62,162.39			62,162.39
<b>Total Expenditures</b>	<b>13,082,741.30</b>	<b>463,894.24</b>	<b>513,272.11</b>	<b>14,059,907.65</b>
Excess (Deficiency) of Revenues over Expenditures	244,511.69	782.00	(41,346.42)	203,947.27
<b>OTHER FINANCING SOURCES (USES):</b>				
Refunding Bonds Issued			2,964,620.45	2,964,620.45
Payment to Bond Refunding Escrow Agent			(2,896,940.00)	(2,896,940.00)
Transfer to Charter School	(6,703.00)			(6,703.00)
<b>Total Other Financing Sources and Uses</b>	<b>(6,703.00)</b>	<b>-</b>	<b>67,680.45</b>	<b>60,977.45</b>
<b>Net Change in Fund Balances</b>	<b>237,808.69</b>	<b>782.00</b>	<b>26,334.03</b>	<b>264,924.72</b>
Fund Balance - July 1	203,458.00	(7,552.00)	0.50	195,906.50
Fund Balance - June 30	\$ 441,266.69	\$ (6,770.00)	\$ 26,334.53	\$ 460,831.22

The accompanying Notes to Financial Statements are an integral part of this statement.

JAMESBURG SCHOOL DISTRICT  
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
 TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2015

Total net change in fund balances - governmental funds (from B-2)	\$	264,924.72
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p> <p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>		
	Depreciation expense	(210,330.00)
	Capital outlays	<u>111,671.00</u>
		(98,659.00)
<p>Repayment of bond and lease obligation (long-term debt) principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.</p>		
		390,000.00
<p>Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets.</p>		
	School District Refunding Bonds	2,896,940.00
	School District Bonds 2004	<u>(2,964,620.45)</u>
		(67,680.45)
<p>In the statement of activities, only the gain on the disposal of capital assets is reported, whereas in the governmental funds, the proceeds from a sale increase financial resources. Thus, the change in net assets will differ from the change in fund balance by the cost of the asset removed. (-)</p>		
		(436,828.00)
<p>Pension expenditures in the governmental funds are recognized when paid or payable from expendable available financial resources. In the statement of activities, pension costs are recognized on a full accrual basis utilizing actuarial valuations. The amount by which actuarially calculated pension expense exceeds the expenditure reported in the funds is a deduction.</p>		
		(11,857.00)
<p>In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation. (+)</p>		
		10,991.67
<p>In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).</p>		
		79,660.75
<p>Transactions related to a current refunding of a long-term debt, refinancing of lease obligations (costs of issuance, premium on refinancing, deferred amount on refinancing)</p>		
	Amortization Expenses - Net	<u>66,090.58</u>
Change in net position of governmental activities	\$	<u><u>196,643.27</u></u>

The accompanying Notes to Financial Statements are an integral part of this statement.

## **PROPRIETARY FUNDS**

JAMESBURG SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2015

	Business-type Activities - Enterprise Funds		
	<u>Food Service</u>	<u>Childcare Program</u>	<u>Totals</u>
<b>ASSETS:</b>			
<b>Current Assets:</b>			
Cash and Cash Equivalents	\$ 87,354.34	\$ 265,838.32	\$ 353,192.66
Interfunds Receivable			-
Accounts Receivable	16,766.73		16,766.73
Inventories	<u>7,271.04</u>		<u>7,271.04</u>
Total Current Assets	<u>111,392.11</u>	<u>265,838.32</u>	<u>377,230.43</u>
<b>Noncurrent Assets:</b>			
Furniture, Machinery & Equipment	150,378.33		150,378.33
Less Accumulated Depreciation	<u>(135,987.75)</u>		<u>(135,987.75)</u>
Total Noncurrent Assets	<u>14,390.58</u>	<u>-</u>	<u>14,390.58</u>
Total Assets	<u>125,782.69</u>	<u>265,838.32</u>	<u>391,621.01</u>
<b>LIABILITIES:</b>			
<b>Current Liabilities:</b>			
Accounts Payable	6,176.48		6,176.48
Deferred Revenue	<u>1,710.90</u>		<u>1,710.90</u>
Total Current Liabilities	<u>7,887.38</u>	<u>-</u>	<u>7,887.38</u>
Total Liabilities	<u>7,887.38</u>	<u>-</u>	<u>7,887.38</u>
<b>NET POSITION:</b>			
Invested in Capital Assets - Net of Related Debt	14,390.58		14,390.58
Unrestricted (Deficit)	<u>103,504.73</u>	<u>265,838.32</u>	<u>369,343.05</u>
Total Net Position	<u>\$ 117,895.31</u>	<u>\$ 265,838.32</u>	<u>\$ 383,733.63</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

JAMESBURG SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2015

	Business-type Activities		Total Enterprise Funds
	Food Service	Childcare Prgram	
Operating Revenues:			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$ 92,638.53	\$ -	\$ 92,638.53
Daily Sales - Non-reimbursable Programs	7,943.47		7,943.47
Childcare Fees		212,757.54	212,757.54
Total Operating Revenues	<u>100,582.00</u>	<u>212,757.54</u>	<u>313,339.54</u>
Operating Expenses:			
Salaries	80,681.81	149,757.51	230,439.32
Employee Benefits	34,684.78	11,491.84	46,176.62
Purchased Prof/Tech. Services	1,691.41	11,098.34	12,789.75
Supplies and Materials	9,100.76	18,248.44	27,349.20
Repairs and Maintenance	522.46		522.46
Magagement Fee	13,635.00		13,635.00
Depreciation	5,146.16		5,146.16
Cost of Sales	131,995.99		131,995.99
Total Operating Expenses	<u>277,458.37</u>	<u>190,596.13</u>	<u>468,054.50</u>
Operating Income (Loss)	<u>(176,876.37)</u>	<u>22,161.41</u>	<u>(154,714.96)</u>
Nonoperating Revenues (Expenses):			
State Sources:			
State School Lunch Program	3,836.76	-	3,836.76
Federal Sources:			
National School Lunch Program	142,442.82	-	142,442.82
National School Breakfast Program	41,205.40		41,205.40
Food Distribution Program	15,655.69	-	15,655.69
Total Nonoperating Revenues (Expenses)	<u>203,140.67</u>	<u>-</u>	<u>203,140.67</u>
Income (Loss) before Transfers	<u>26,264.30</u>	<u>22,161.41</u>	<u>48,425.71</u>
Change in Net Position	26,264.30	22,161.41	48,425.71
Total Net Position - Beginning	<u>91,631.01</u>	<u>243,676.91</u>	<u>335,307.92</u>
Total Net Position - Ending	<u>\$ 117,895.31</u>	<u>\$ 265,838.32</u>	<u>\$ 383,733.63</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

JAMESBURG SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2015

	Business-Type Activities		Total Enterprise Funds
	Enterprise Funds		
	Food Service	Childcare Program	
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash Receipts from Customers	\$ 108,643.51	\$ 212,859.25	\$ 321,502.76
Cash Payments to Employees	(80,681.81)	(149,757.51)	(230,439.32)
Payments to Suppliers for Goods and Services	<u>(173,863.53)</u>	<u>(40,838.62)</u>	<u>(214,702.15)</u>
Net Cash Provided by (Used for) Operating Activities	<u>(145,901.83)</u>	<u>22,263.12</u>	<u>(123,638.71)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Federal and State Sources	<u>205,760.04</u>	_____	<u>205,760.04</u>
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>205,760.04</u>	<u>-</u>	<u>205,760.04</u>
Net Increase (Decrease) in Cash and Cash Equivalents	59,858.21	22,263.12	82,121.33
Cash and Cash Equivalents at Beginning of Year (Restated) See Note 17	<u>27,158.21</u>	<u>243,575.20</u>	<u>270,733.41</u>
Cash and Cash Equivalents at End of Year	<u>\$ 87,016.42</u>	<u>\$ 265,838.32</u>	<u>\$ 352,854.74</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>			
Operating Income (Loss)	\$ (176,876.37)	\$ 22,161.41	\$ (154,714.96)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities			
Depreciation	5,146.16		5,146.16
Food Distribution Program	15,655.69		15,655.69
Changes in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	7,510.51		7,510.51
(Increase) Decrease in Inventories	(4,065.30)		(4,065.30)
(Increase) Decrease in Interfunds	2,888.28	101.71	2,989.99
Increase (decrease) in Deferred Revenue	(2,337.28)		(2,337.28)
Increase (Decrease) in Accounts Payable	<u>6,176.48</u>	_____	<u>6,176.48</u>
Total Adjustments	<u>30,974.54</u>	<u>101.71</u>	<u>31,076.25</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (145,901.83)</u>	<u>\$ 22,263.12</u>	<u>\$ (123,638.71)</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**FIDUCIARY FUNDS**

JAMESBURG SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY NET POSITION  
JUNE 30, 2015

	Unemployment Compensation <u>Trust</u>	Non-Expendable Scholarship <u>Trust</u>	Agency <u>Fund</u>
<b>ASSETS:</b>			
Cash and cash equivalents	\$ 101,027.76	\$ 5,663.11	\$ 87,379.92
Interfund Accounts Receivable	<u>7,777.51</u>	<u>                    </u>	<u>                    </u>
Total Assets	<u>\$ 108,805.27</u>	<u>\$ 5,663.11</u>	<u>\$ 87,379.92</u>
<b>LIABILITIES:</b>			
Payable to Student Groups	\$	\$	\$ 4,957.33
Accounts Payable	966.20		1,410.05
Payroll Deductions and Withholdings	<u>                    </u>	<u>                    </u>	<u>81,012.54</u>
Total Liabilities	<u>966.20</u>	<u>                    </u>	<u>\$ 87,379.92</u>
<b>NET POSITION:</b>			
Held in trust for unemployment claims and other purposes	107,839.07		
Reserved for Scholarships	<u>                    </u>	<u>5,663.11</u>	
Total Net Position	<u>\$ 107,839.07</u>	<u>\$ 5,663.11</u>	

The accompanying Notes to Financial Statements are an integral part of this statement.

JAMESBURG SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship</u>
<b>ADDITIONS</b>		
Contributions:		
Employees	\$ 8,466.03	\$ -
Board Contribution	<u>3,236.92</u>	<u>400.00</u>
Total Contributions	<u>11,702.95</u>	<u>400.00</u>
Interest	<u>                    </u>	<u>6.63</u>
Net investment earnings	<u>-</u>	<u>6.63</u>
Total additions	<u>11,702.95</u>	<u>406.63</u>
<b>DEDUCTIONS</b>		
Unemployment claims	21,852.15	-
Scholarships awarded	<u>-</u>	<u>1,630.00</u>
Total deductions	<u>21,852.15</u>	<u>1,630.00</u>
Change in net position	(10,149.20)	(1,223.37)
Net position—beginning of the year	<u>117,988.27</u>	<u>6,886.48</u>
Net position—end of the year	<u>\$ 107,839.07</u>	<u>\$ 5,663.11</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

JAMESBURG SCHOOL DISTRICT  
COUNTY OF MIDDLESEX, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of Government-Wide Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) of the Board of Education (Board) of the Jamesburg School District (District) report information on all of the nonfiduciary activities of the primary government only. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. The District is not financially accountable for any legally separate component units, and no component units have been included in the government-wide financial statements.

**B. Reporting Entity:**

The Jamesburg School District is a Type II district located in the County of Middlesex, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the district is to educate students in grades K-8. The Jamesburg School District had an enrollment at June 30, 2015 of 663 students.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is whether:

- the organization is legally separate (can sue or be sued in their own name)
- the District holds the corporate powers of the organization
- the District appoints a voting majority of the organization's board
- the District is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the District
- there is a fiscal dependency by the organization on the District

Based on the aforementioned criteria, the District has no component units. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

**C. Basis of Presentation – Government-Wide Financial Statements**

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**D. Basis of Presentation – Fund Financial Statements:**

The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each category – governmental, proprietary and fiduciary are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, with each displayed in a separate column. Any remaining governmental and enterprise funds are aggregated and reports as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The District reports the following major governmental funds:

**General Fund** - The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the Capital Outlay subfund.

As required by the New Jersey State Department of Education, the District includes budgeted Capital Outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. Resources for instructional and noninstructional equipment can be transferred from and to Current Expense by board resolution.

**Special Revenue Fund** - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

**Capital Projects Fund** - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

**Debt Service Fund** - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

**Permanent Fund** – The Permanent Fund is used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the District's programs.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**D. Basis of Presentation – Fund Financial Statements (Cont'd)**

The District reports the following major enterprise funds:

**Food Service Fund** – the Food Service Fund is used to account for the activities of the cafeteria operations of the District.

**Child Care Fund** – The Child Care Fund is used to account for the activities of the Latch Key Program of the District.

The District also reports the following fiduciary fund types:

**Agency Fund** – The Agency Fund is used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. Agency funds are custodial in nature and do not involve measurement of results of operations. Agency funds include payroll and student activities funds,

**Employee Benefit Trust (Unemployment Insurance)** – Employee Benefit Trust should be used to report resources that are required to be held in trust for members and beneficiaries of employee benefit plans.

During the course of its normal operations, the District will have activity between funds (interfund activity) for various purposes. Any residual interfund balances at year-end are reported as interfund accounts receivable/payable. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of government-wide financial statements. Balances between funds included within governmental activities (the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, any interfund balances between business-type (enterprise) funds are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, interfund activity may occur during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers' in/out. In the preparation of the government-wide financial statements, transfers between funds included as governmental activities are eliminated so that only net amounts of resources transferred from or to the governmental activities are reported. A similar treatment is afforded transfers of resources between enterprise funds for the preparation of business-type activity financial statements.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'):****E. Measurement Focus and Basis of Accounting:**

The accounting and financial reporting treatment applied is determined by its measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured, such as current financial resources or economic resources. The basis of accounting refers to the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the fiscal period that the taxes are levied by the municipality(s) within which the District is domiciled. Ad Valorem (Property) Taxes are susceptible to accrual and under New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District recognizes the entire approved tax levy s revenue in the fiscal period for which they were levied. The District is entitled to receive moneys under an established payment schedule and any unpaid amount is considered to be an "accounts receivable". Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. State categorical aid revenues are recognized as District revenue during the fiscal period in which they are appropriated.

The governmental funds financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized when it becomes measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period,. Expenditures are generally recorded when a liability is incurred, as under accrual basis accounting. Exceptions to this general rule include debt service, for which interest and principal expenditures in the Debt Service Fund are recognized on their due dates, and expenditures relating to compensated absences, claims and judgments, which are recorded in the period when payment becomes due. General capital assets acquisitions are recorded as expenditures in the governmental funds and are not capitalized. The issuance of long-term debt for capital purposes and capital lease obligations incurred to acquire general capital assets are reported as "other financing sources."

The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. Entitlements are recorded as revenue when all eligibility requirements, including timing of funding appropriations, are met, subject to the 60-day availability requirement for collection. Interest and tuition revenues are considered susceptible to accrual and have been recognized as revenues of the current fiscal period, subject to availability. Expenditure driven grant revenues are recorded as qualifying expenditures are incurred and all other eligibility requirements have been met, subject to availability requirements. All other revenue items are considered measurable and available only when cash is received by the District.

The District's proprietary funds, employee benefit trust fund and private purpose scholarship trust funds are reported using the economic resources measurement focus and the accrual basis of accounting. The agency fund has no measurement focus but utilizes the accrual basis of accounting for reporting its assets and liabilities.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'):****F. Budgets/Budgetary Control:**

Annual budgets are adopted for the general, special revenue and debt service funds using a regulatory basis of accounting, which differs from generally accepted accounting principles in one material respect. Budgetary revenues for certain nonexchange state aid transactions are recognized for budgetary purposes in the fiscal period prior to the period in which the state recognizes expenditures/expenses. The amounts of the adjustments needed to reconcile the budgetary basis to the GAAP based fund financial statements are set forth in the explanation of differences schedules, which follow.

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for approval. Pursuant to changes in the Local District School Budget Law, statutorily conforming base budgets of Districts with annual school elections held in November are no longer required to be presented to the voters for approval on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m) 1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. New Jersey statutes place limitations on the Board's ability to increase budgeted expenditures through the appropriation of previously undesignated fund balance and requires the District to obtain additional approvals when budgetary transfers, measured using the advertised budgetary account totals rather than line-item totals, exceed certain thresholds. The Board of Education did not make any supplemental budgetary appropriations during the fiscal year that required additional approvals from oversight agencies.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of the one or more June state aid payments for budgetary purposes only and special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

Appropriations in the general and debt service funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executor) contracts for goods and services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year-end, valid outstanding encumbrances, for which the contracted performance is expected during the subsequent budget cycle, are legally restricted at year-end and are automatically re-appropriated and become part of the subsequent years' budget pursuant to state regulations.

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial statements

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**F. Budgets/Budgetary Control (Cont'd):**

The following presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General, Special Revenue and Debt Service Funds to the GAAP basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types.

Explanation of differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures:

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$13,343,214.99	\$467,593.44
Difference- budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is Is recognized.		(3,699.20)
The last State Aid payment is recognized as revenue for budgetary purposes, and differs from GAAP, which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33).	(644,102.00)	(6,770.00)
State Aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	<u>628,140.00</u>	<u>7,552.00</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balance – governmental funds.	<u>\$13,327,252.99</u>	<u>\$464,676.24</u>
Uses/Outflows of resources		
Actual amounts (budgetary basis) "total outflows" From the budgetary comparison schedule	\$13,188,972.86	\$467,593.44
Differences – budget to GAAP:		
Deferred Health Benefits Adjustment-net (See Note 16)	(106,231.56)	
Encumbrances for supplies and equipment Ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.	<u>0.00</u>	<u>(3,699.20)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances – governmental funds.	<u>\$13,082,741.30</u>	<u>\$463,894.24</u>

## NOTES TO FINANCIAL STATEMENTS

### **NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

#### **G. Cash, Cash Equivalents and Investments:**

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A: 20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-41 ET. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

#### **H. Tuition Payable**

Tuition charges for the fiscal years 2013-2014 and 2014-2015 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

#### **I. Inventories and Prepaid Expenses:**

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the enterprise fund are recorded as expenditure during the year of purchase.

Inventories in the Proprietary Funds are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2015.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**J. Short-Term Interfund Receivables/Payables:**

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

**K. Capital Assets:**

Capital assets are capitalized at historical cost, or estimated historical cost for assets where actual historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$2,000.00 or more for capitalizing capital assets. The system for accumulation of fixed assets cost data does not provide the means for determining the percentage of assets valued at actual and those valued at estimated costs.

Capital assets are recorded in the District-wide financial statements, but are not reported in the Fund financial statements. Capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purpose by the District, no salvage value is taken into consideration for depreciation purpose. Useful lives vary from 20 to 50 years for land improvements and buildings, and 5 to 15 years for equipment.

Capital assets not being depreciated include land and construction in progress.

The District does not possess any material amounts of infrastructure capital assets, such as sidewalks and parking lots. Such items are considered to be part of the cost of buildings or other improvable property.

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund statement of net position. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated used lives are as follows”

Food Service Fund:	
Equipment	10 Years

## NOTES TO FINANCIAL STATEMENTS

### **NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

#### **L. Compensated Absences:**

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that related to future services, or that are contingent on a specific event that is outside the control of the District and its employees, are accounted for in the period in which such services are rendered or in which such events take place. The School District reports compensated absences in accordance with the provisions of GASB No. 16, "Accounting for Compensated Absences".

The entire compensated absences liability is reported on the government-wide financial statements. For governmental funds, the current portion of unpaid compensated absences in the amount expected to be paid using expendable available resources. The non-current portion of the liability is not reported.

#### **M. Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the New Jersey Public Employees Retirement System (PERS) and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

#### **N. Deferred Outflows/Inflows of Resources:**

In addition to assets, the statement of financial position may report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and will not be recorded as an outflow of resources (expenditure/expense) until that time. The District is reporting three items in this category: The Deferred Amount on Refunding, and Pension related items including the Change in Pension Assumptions and the amount of pension payments made by the District subsequent to the pension measurement date. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is amortized over the shorter of the life of the refunded or refunding bonds. Deferred Outflows for Changes in Pension Assumptions future outflows of resources resulting from changes in actuarial assumptions used in the valuation of the pension liability. Deferred outflows for Subsequent pension payments reflects payments made by the District to the pension system subsequent to the date of the most recent actuarial valuations, which was June 30, 2014.

In addition to liabilities, the statement of financial position may report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and will not be recorded as an inflow of resources (revenue) until that time. The District is reporting two items in this category: Two pension related items in this category, the Difference in Pension Earnings and the Change in Pension Proportion. The former represents the District's proportionate share of plan earnings in excess of assumed amounts, while the latter represents the favorable impact of a decline in the District's proportionate share of system wide net pension liability.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**O. Unearned Revenue/Advances from Grantors:**

Unearned revenue represents cash advances received relating to services (expenditures/expenses) that will be provided in a subsequent fiscal period. Similarly, for expenditure-driven grants, amounts advanced to the District in excess of the amounts expended and earned are recorded as advances from grantors,

**P. Net Position Flow Assumption (District-Wide and Proprietary Fund Financial Statements)**

Periodically, the District may fund outlays for a particular purpose from both restricted resources, such as bond referendum proceeds and/or grant proceeds, and unrestricted resources. To determine the amounts of net position – restricted and unrestricted that should be reported in the government-wide and proprietary fund financial statements, a flow assumption must be made to establish the order in which resources are considered to be applied. In the absence of specific grant compliance requirements to the contrary, the District policy is to utilize all amounts of available restricted net position prior to applying unrestricted net position to fund acquisition costs.

**Q. Fund Balance Flow Assumption (Governmental Fund Financial Statements)**

Periodically, the District may fund outlays for a particular purpose from both restricted resources and unrestricted resources (the total of the committed, assigned and unassigned fund balance). To determine the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made to establish the order in which resources are considered to be applied. In the absence of specific grant compliance requirements to the contrary, the District policy is to utilize all amounts of available restricted fund balance prior to applying any component of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance, with unassigned fund balance applied last.

**R. Fund Balance Policies:**

Fund balance of the governmental funds is reported in various categories based upon the nature of any limitations requiring the use of resources for specific purposes. The District itself can establish limitations on the use of resources through actions to transfer amounts to legally restricted reserve accounts (capital, maintenance and emergency reserves), or actions to commit or assign fund balance.

The committed fund balance includes amounts that can only be used for the specific purposes determined by a formal action of the Board of Education. Commitments of fund balance remain in place until the committed fund balance is fully depleted or an amendatory action is taken by the Board of Education.

Assignments of fund balance are made by the Board of Education for specific purposes that do not meet the criteria to be classified as committed. The Board of Education also assigns fund balance when it appropriates unrestricted/unassigned fund balance to bridge a gap between estimated revenue and appropriations in the subsequent years budget. Unlike commitments, assignments are generally temporary in nature, and additional actions of the Board are generally not required to remove an assignment, whereas an action of the Board is essential to the modification or elimination of an unexpended committed fund balance.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**S. District-Wide Financial Statement Classifications**

1. Program Revenues – Amounts reported as program revenues include a) charges to customers or applicants who purchase, use or benefit from goods services or privileges provided by a given function or segment and b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.
2. General Revenues – all taxes, including those designated for specific purposes such as debt service, are reported as general revenues. All other resources, including internally dedicated resources, unrestricted entitlements, and investment income are reported as general revenues.
3. Capital Assets – In the statement of net position, capital assets are reported, net of accumulated depreciation as assets of the governmental activities and business-type activities.
4. Long-term Debt - In the statement of net position, long-term debt is reported as a component of long-term liabilities of the governmental activities and business-type activities.
5. Net Investment in Fixed Assets – In the statement of Net Position, the net undepreciated value of capital assets, less the value of outstanding debt issued to purchase acquire or build those capital assets, is reported as Net Investment in Fixed assets as a component of net position for the governmental activities and business-type activities.

**T. Proprietary Fund Operating and Nonoperating Revenues and Expenses**

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and products in connection with the primary purpose or function for which the fund was established. The District's Food Service proprietary fund reports operating revenues from the sale of lunches and a la carte items, and operating expenses include the costs of sales (food, supplies and labor), administrative costs and depreciation on capital assets. Revenues earned through the District's participation in the National School Lunch Program are classified as nonoperating revenues, notwithstanding the limitations on the pricing of Type A student lunches that is required for program participation.

NOTES TO FINANCIAL STATEMENTS

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**U. Reconciliation of District-Wide and Fund Financial Statements**

I. Differences between governmental fund balance sheet and District-wide statement of net position:

Total Governmental Fund Balance (B-1)	\$460,831.22
Adjustments to District-Wide Net Position:	
Capital Assets (see Note 3)	4,378,258.00
Long-Term Liabilities (see Note 4)	(2,660,210.37)
Net Pension Liability	(1,833,266.00)
Other Items not recognized in Fund Financial Statements:	
Deferred Inflows of Financial Resources	(118,142.00)
Deferred Outflows of Financial Resources	137,955.00
Accrued Period Pension Liabilities	(80,307.00)
Accrued Interest on Long-term Debt	(36,458.33)
Deferred Amount on refunding, net of amortization	<u>48,764.75</u>
Net Position of Governmental Activities	<u>\$297,245.27</u>

II. Differences between governmental fund statement of revenues, expenditures and changes in fund balances and District-wide statement of activities:

Total Net Change Governmental Fund Balance (B-2)	\$264,924.72
Adjustments to District-Wide Net Position:	
Capital Assets (see Note 3)	(98,659.00)
Repayment of Long-Term Liabilities (see Note 4)	390,000.00
Other Adjustments to Fund Financial Statements:	
Compensated Absences	79,660.75
Interest on Long-term Debt (Accrual Basis for District-Wide)	10,991.67
Special Item – Adjustment for Fixed Asset Inventory	(436,828.00)
Net increase in Pension Expense	(11,857.00)
Amortization Expenses – net	66,090.58
Refunding Bond Issue	<u>(67,680.45)</u>
Change in Net Position of Governmental Activities	<u>\$196,643.27</u>

**V. Estimates:**

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS**

The Jamesburg Board of Education had the following depository accounts. All deposits are carried at cost plus accrued interest. The government does not have a deposit policy.

Depository Account	Bank Balance
Insured - FDIC	\$250,000.00
Insured – NJGUDPA (N.J.S.A.17:9-41)	<u>1,550,117.06</u>
Total Deposits	<u>\$1,800,117.06</u>

**Custodial Credit Risk – Deposits-** Custodial credit risk is the risk that in the event of a bank failure, the board’s deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of June 30, 2015, \$0.00 of the Board’s bank balance of \$1,800,117.06 was exposed to custodial risk. (See Note 1-F. relating to statutory mitigation of custodial risk in the event of a bank failure).

**New Jersey Cash Management Fund** – All investments in the Fund are governed by the regulations of the Investment Council, which prescribe specific standards designed to insure the quality of investments and to minimize the risks related to investments. In all the years of the Division of Investment’s existence, the Division has never suffered a default of principal or interest on any short-term security held by it due to the bankruptcy of a securities issuer; nevertheless, the possibility always exists, and for this reason a reserve is being accumulated as additional protection for the “Other-than-State” participants. In addition to the Council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis.

As of June 30, 2015, the District had \$0.00 on deposit with the New Jersey Cash Management Fund.

**NOTE 3. FIXED ASSETS**

JAMESBURG SCHOOL DISTRICT  
CAPITAL ASSETS NOTE DISCLOSURE  
DISCLOSURE OF INFORMATION ABOUT CAPITAL ASSETS (UNAUDITED)

The governmental fund balance sheet includes a reconciliation between fund balance - total government funds and net position - governmental activities as reported in the District-wide statement of net position. One item of that reconciliation explains that capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. An addition to the fund balance - total governmental funds is made to reflect the carrying value of the District's capital assets at year-end in the District-wide financial statements, which consist of:

Total capital assets at cost	\$ 9,499,191.00
Less: accumulated depreciation	<u>(5,120,933.00)</u>
Government Activities Capital Assets, Net	<u>\$ 4,378,258.00</u>

Capital assets by classification and activity for the year ended June 30, 2015 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Adjustments*</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>					
Building and Building Improvements	\$ 8,986,519.00	\$	\$	\$ (1,081,732.00)	\$ 7,904,787.00
Sites	46,300.00			(46,300.00)	-
Machinery, Equipment, Furniture & Vehicles	<u>976,724.00</u>	<u>111,671.00</u>		<u>506,009.00</u>	<u>1,594,404.00</u>
Totals at Historical Cost	<u>10,009,543.00</u>	<u>111,671.00</u>	<u>-</u>	<u>(622,023.00)</u>	<u>9,499,191.00</u>
Less Accumulated Depreciation For:					
Building and Building Improvements	(4,119,171.00)	(168,695.00)		440,016.00	(3,847,850.00)
Sites	(46,300.00)			46,300.00	-
Equipment, Furniture, and Vehicles	<u>(930,327.00)</u>	<u>(41,635.00)</u>		<u>(301,121.00)</u>	<u>(1,273,083.00)</u>
Total Accumulated Depreciation	<u>(5,095,798.00)</u>	<u>(210,330.00)</u>	<u>-</u>	<u>185,195.00</u>	<u>(5,120,933.00)</u>
Total Capital Assets Being Depreciated (Net of Accumulated Depreciation)	<u>4,913,745.00</u>	<u>(98,659.00)</u>	<u>-</u>	<u>(436,828.00)</u>	<u>4,378,258.00</u>
Government Activities Capital Assets, Net	<u>\$ 4,913,745.00</u>	<u>\$ (98,659.00)</u>	<u>\$ -</u>	<u>\$ (436,828.00)</u>	<u>\$ 4,378,258.00</u>
<b>Business-type Activities</b>					
Equipment	150,378.33				150,378.33
Less Accumulated Depreciation for:					
Equipment	<u>(130,841.59)</u>	<u>(5,146.16)</u>			<u>(135,987.75)</u>
Business-type Activities Capital Assets, Net	<u>\$ 19,536.74</u>	<u>\$ (5,146.16)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,390.58</u>

Depreciation Expense was charged to governmental functions as follows:

Unallocated	\$ <u>210,330.00</u>
	<u>\$ 210,330.00</u>

\* During the year ended June 30, 2015 the Board had an inventory taken and is reflected in the adjustments made to prior year balance.

**NOTE 4: LONG-TERM LIABILITIES**

JAMESBURG SCHOOL DISTRICT  
LONG TERM DEBT DISCLOSURE  
DISCLOSURE OF INFORMATION ABOUT LONG TERM LIABILITIES (UNAUDITED)

Long-term debt liability activity for the year ended June 30, 2015 was as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balance</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
Governmental Activities:					
Bonds Payable:					
General Obligation Debt	\$ 2,840,000.00	\$ 2,760,000.00	\$ 3,230,000.00	\$ 2,370,000.00	\$ 360,000.00
Total Bonds Payable	<u>2,840,000.00</u>	<u>2,760,000.00</u>	<u>3,230,000.00</u>	<u>2,370,000.00</u>	<u>360,000.00</u>
Other Liabilities:					
Compensated Absences Payable	239,516.50		79,660.75	159,855.75	31,700.00
Total Other Liabilities	<u>239,516.50</u>		<u>79,660.75</u>	<u>159,855.75</u>	<u>31,700.00</u>
Subtotal Bonds and Other Liabilities	3,079,516.50	2,760,000.00	3,309,660.75	2,529,855.75	391,700.00
Bond Premium/(Discount)		204,620.45	74,265.83	130,354.62	
Net Pension Liability (PERS)		<u>1,833,266.00</u>		<u>1,833,266.00</u>	
Total Liabilities	<u>\$ 3,079,516.50</u>	<u>\$ 4,797,886.45</u>	<u>\$ 3,383,926.58</u>	<u>\$ 4,493,476.37</u>	<u>\$ 391,700.00</u>

**NOTE 4. GENERAL LONG-TERM DEBT (CONT'D):**

**A. Bonds Payable** -- Bonds are authorized in accordance with State law by the voters of the District through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds.

Principal and interest due on bonds outstanding as at June 30, 2015 is as follows:

Year ending June 30,	Principal	Interest	Total
2016	\$360,000.00	\$87,500.00	\$447,500.00
2017	370,000.00	76,700.00	446,700.00
2018	385,000.00	65,600.00	450,600.00
2019	400,000.00	50,200.00	450,200.00
2020	420,000.00	34,200.00	454,200.00
2021	435,000.00	17,400.00	452,400.00
	<u>\$ 2,370,000.00</u>	<u>\$ 331,600.00</u>	<u>\$2,701,600.00</u>

**B. Bonds Authorized But Not Issued** -- As of June 30, 2015, the District had no bonds authorized but not issued.

**C. Advance Refunding of 2004 School Bonds** – The Board of Education, via resolution, authorized the sale of refunding bonds (the “Refunding Bonds”) in order to advance refund all or a portion of the outstanding Refunding School Bonds dated September 1, 2014 and maturing on February 1 in the years 2015-2021, inclusive (the “Refunded Bonds”), which Refunded Bonds are part of a series of bonds date originally issued in the aggregate principal of \$4,875,000.00. The total of the Refunding Bonds issued, dated July 1, 2014, amounted to \$2,760,000.00 to affect the refunding of the Refunded Bonds in the amount of \$2,840,000.00.

The purpose of the refunding bonds is to refund all or a portion of the outstanding callable principal amount of the originally issued \$4,875,000.00 Refunding School Bonds dated September 1, 2004 (the “Refunded Bonds”) and maturing on or after February 1, 2015 which may be redeemed at the option of the School District in whole or in part on any date on or after August 1, 2014 (the “Redemption Date”) at a redemption price equal to the par amount of the Refunded Bonds to be redeemed plus accrued interest, if any, to the Redemption Date, and pay the cost of issuance with respect to the Bonds.

The Refunding Bonds bear interest from their date of delivery, which interest shall be payable semi-annually, on the fifteenth day of July and January, commencing January 1, 2015, in each of the years and at the interest rates of between 2.00% and 4.00%, while yields, which reflect premiums or discounts, ranged from .40% to 2.25%. Net present value savings amounted to \$169,075.25 or 5.953354% of the Refunded Bonds. The Net Interest Cost (NIC) on the Refunding Bonds was 1.957064%. The proceeds of the sale of \$2,964,620.45 includes a premium of \$204,620.45 and deductions of \$67,680.45 for underwriting fees and other costs associated with the issuance of the Refunding Bonds, for a net proceed amount of \$2,896,940.00 which was deposited to an irrevocable trust with an escrow agent. The Refunded Bonds are considered to be defeased and have been removed from the District-wide statement of net position.

The advanced refunding resulted in a difference between the reacquisition price and the net carrying value of the old debt of \$56,940.00. This difference, reported in the accompanying District-wide financial statements as a deferred “outflow”, is being amortized over the life of the Refunding Bonds issued. Annual charges to amortize the deferred outflow resulting from the refunding transaction are calculated on a “straight-line” basis.

**NOTE 5. PENSION PLANS**

**Description of Plans** – The State of New Jersey, Division of Pension and Benefits (the Division) was created and exists pursuant to N.J.S.A. 52:18A to oversee and administer the pension trust and other postemployment benefit plans sponsored by the State of New Jersey (the State). According to the State of New Jersey Administrative Code, all obligations of the Systems will be assumed by the State of New Jersey should the plans terminate. Each defined benefit pension plan’s designated purpose is to provide retirement, death and disability benefits to its members. The authority to amend the provision of plan rests with new legislation passed by the State of New Jersey. Pension reforms enacted pursuant to Chapter 78, P.L. 2011 included provisions creating special Pension Plan Design Committees for the public Employees Retirement System (PERS) and the Teachers Pension and Annuity Fund (TPAF), once a Target Funded Ratio (TFR) is met, that will have the discretionary authority to modify certain plan design features, including member contribution rate; formula for calculation of final compensation or final salary; fraction used to calculate a retirement allowance; age at which a member may be eligible and the benefits for service or early retirement; and benefits provided for disability retirement. The committee will also have the authority to reactivate the cost of living adjustment (COLA) on pensions.

However, modifications can only be made to the extent that the resulting impact does not cause the funded ratio to drop below the TFR in any one year of a projection period. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for each of the plans. This report may be accessed via the Division of Pensions and Benefits website, at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions), or may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

**A. PUBLIC EMPLOYEES RETIREMENT SYSTEM**

The Public Employee Retirement System is a cost-sharing, multiple employer defined benefit pension plan as defined in GASB Statement No. 68. The Plan is administered by The New Jersey Division of Pensions and Benefits (Division). The more significant aspects of the PERS Plan are as follows:

*Plan Membership and Contributing Employers*- Substantially all full-time employees of the State of New Jersey or any county, municipality, school district or public agency are enrolled in PERS, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or other jurisdiction’s pension fund. Membership and contributing employers of the defined benefit pension plans consisted of the following at June 30, 2014:

Inactive plan members or beneficiaries currently receiving benefits	160,716
Inactive plan members entitled to but not yet receiving benefits	730
Active plan members	<u>266,526</u>
Total	<u>427,972</u>

Contributing Employers – 1,707.

*Significant Legislation* – For State of New Jersey contributions to PERS, Chapter 1, P.L. 2010, effective May 21, 2010, required the State to resume making actuarially recommended contributions to the pension plan on a phased-in basis over a seven year period beginning in the fiscal year ended June 30, 2012. For State fiscal year 2014, the State was required to make a minimum contribution representing 3/7<sup>th</sup> of the actuarially determined contribution amount based on the July 1, 2012 actuarial valuation.

**NOTE 5. PENSION PLANS (CONT'D)**

**Description of Plans (Cont'd)**

Chapter 19, P.L. 2009, effective March 17, 2009, provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State Fiscal Year 2009. Such an employer will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of PERS, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. Pursuant to the provision of Chapter 78, P.L. 2011, COLA increases were suspended for all current and future retirees of PERS.

For the year ended June 30, 2015 the Board's total payroll for all employees was \$3,761,432.08. Total PERS covered payroll was \$641,703. Covered payroll refers to all compensation paid by the Board to active employees covered by the Plan.

*Specific Contribution Requirements and benefit provisions* – The contribution policy is set by N.J.S.A 43:15 and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 6.78% in State fiscal year 2014. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. Employers contribution amounts are based on an actuarially determined rate. The annual employer contributions include funding for basic retirement allowances and noncontributory death benefits. The School Board's cash basis contributions to the Plan for the years ended June 30, 2014 and 2015 were \$74,193 and \$80,721, respectively. School Board Contributions are due and payable in the fiscal period subsequent to plan year for which the contributions requirements were calculated.

The vesting and benefit provisions are set by N.J.S.A. 43:15. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007.
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 8, 2008
3	Members who were eligible on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

A service retirement benefit of 1/55<sup>th</sup> of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, to tier 3 and 4 members before age 62 and tier 5 members with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age of his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

**NOTE 5. PENSION PLANS (CONT'D)**

**Description of Plans (Cont'd)**

*Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions* – At June 30, 2015, the School Board reported a liability of \$1,833,266 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Board's proportion of the net pension liability was based on a projection of the Board's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2014, the Board's proportion was 0.0097916560%, which was an increase of 0.0000550% from its proportion measure as of June 30, 2013.

For the year ended June 30, 2015, the Board recognized pension expenses of \$95,137. At June 30, 2015 the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows Of Resources</u>	<u>Deferred Inflows Of Resources</u>
Changes in assumptions	\$57,648	\$
Net difference between projected and actual earnings on Plan investments		109,253
Changes in proportion and differences between Board contributions and proportionate share of contributions		8,889
Board contributions subsequent to the measurement date	<u>80,307</u>	
Total	<u>\$137,955</u>	<u>\$118,142</u>

The \$80,307 of deferred outflows of resources resulting from the Board's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ending June 30,	
2016	\$5,725.30
2017	5,725.30
2018	5,725.30
2019	5,725.30
2020	5,725.30
Thereafter	<u>(12,890.23)</u>

*Actuarial Assumptions*- The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.01%
Salary Increases (2012-2021)	2.15-4.40% Based on age
Thereafter	3.15-5.40% Based on age
Investment rate of return	7.90%

Mortality rates were based on the RP-2000 Combined Table for Males or Females, as appropriate with adjustments for mortality improvements based on Scale AA.

**NOTE 5. PENSION PLANS (CONT'D)**

**Description of Plans (Cont'd)**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	
Cash	0.08%
Core Bonds	2.49%
Intermediate-Term Bonds	2.26%
Mortgages	2.17%
High Yield Bonds	4.82%
Inflation-Indexed Bonds	3.51%
Broad US Equities	8.22%
Developed Foreign Equities	8.12%
Emerging Market Equities	9.91%
Private Equity	13.02%
Hedge Funds/Absolute Return	4.92%
Real Estate (Property)	5.80%
Commodities	5.35%

*Discount Rate* – The discount rate used to measure the pension liabilities of PERS was 5.39%

*Sensitivity of Net Pension Liability* – the following presents the net pension liability of PERS calculated using the discount rates as disclosed above as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage rate higher than the current rate:

	<u>At 1% Decrease</u>	<u>At current discount rate</u>	<u>At 1% increase</u>
PERS	\$47,326,289,075	\$38,849,838,953	\$31,735,758,503

*Plan Fiduciary Net Position* – The plan fiduciary net position for PERS, including the State of New Jersey, at June 30, 2014 was \$28,999,581,773. Information regarding the portion of the Plan Fiduciary Net Position that was allocable to the Local (Non-State) Group was not available.

NOTES TO FINANCIAL STATEMENTS

**NOTE 5. PENSION PLANS (CONT'D):**

**B. TEACHERS PENSION AND ANNUITY FUND**

The Teachers Pension and Annuity Fund is a cost-sharing, multiple employer defined benefit pension plan with a special funding situation as defined in GASB Statement No. 68. The Plan is administered by The New Jersey Division of Pensions and Benefits (Division). The more significant aspects of the TPAF Plan are as follows:

*Plan Membership and Contributing Employers-* Substantially all teachers or members of the professional staff of Local Education Agencies that are certified by the State Board of Examiners, and Employees of the Department of Education who have titles that are unclassified, professional and certified are enrolled in the TPAF. Membership and contributing employers of the defined benefit pension plans consisted of the following at June 30, 2014:

Inactive plan members or beneficiaries currently receiving benefits	94,822
Inactive plan members entitled to but not yet receiving benefits	276
Active plan members	<u>152,812</u>
Total	<u>247,910</u>

In addition to the State, who is the sole payer of regular employer contributions to the fund, TPAF's contributing employers include boards of education who elected to participate in the Early Retirement Incentive Program (ERIP) and are legally responsible to continue to pay towards their incurred liability. The current number of ERIP Contributing Employers is 26.

*Significant Legislation* – For State of New Jersey contributions to TPAF, Chapter 1, P.L. 2010, effective May 21, 2010, required the State to resume making actuarially recommended contributions to the pension plan on a phased-in basis over a seven year period beginning in the fiscal year ended June 30, 2012. For State fiscal year 2014, the State was required to make a minimum contribution representing 3/7<sup>th</sup> of the actuarially determined contribution amount based on the July 1, 2012 actuarial valuation.

Pursuant to the provision of Chapter 78, P.L. 2011, COLA increases were suspended for all current and future retirees of TPAF.

For the year ended June 30, 2015 the Board's total payroll for all employees was \$3,761,432.08. Total TPAF covered payroll was \$3,456,399. Covered payroll refers to all compensation paid by the Board to active employees covered by the Plan.

*Specific Contribution Requirements and benefit provisions* – The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contributions rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 6.78% in State fiscal year 2014. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The State of New Jersey contribution amount is based on an actuarially determined amount which includes the employer portion of normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory insurance is based on actual claims paid for fiscal years 2014 & 2013, the State's contribution was less than the actuarial determined amount.

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 5. PENSION PLANS (CONT'D):**

**B. TEACHERS PENSION AND ANNUITY FUND (CONT'D)**

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

The following represents the membership tiers for TPAF:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007.
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 8, 2008
3	Members who were eligible on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age of his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

*Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions* – The State of New Jersey is solely responsible for funding the normal pension obligations of the TPAF, including 100% of the obligations of LEAs within the State. Accordingly, the District does not report TPAF pension liabilities or deferred inflows and outflows of financial resources in its financial statements. Payments made by the State to the TPAF “on-behalf” of the LEAs are reported to the LEAs and reported as TPAF pension expenditures/expenses as made.

**Three-Year Trend Information for TPAF (Paid on-behalf of the District, excluding post-retirement medical benefits which are reported in Note 6)**

<u>Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Local Pension Obligation</u>
6/30/15	\$ 188,986.00	100 %	\$0
6/30/14	269,203.00	100	0
6/30/13	270,138.00	100	0

At June 30, 2014, the TPAF reported a net pension liability of \$53,446,745,367 for its Non-State Employer Member Group. The proportionate share of the State of New Jersey's the net pension liability for the Non-State Employer Member Group that is attributable to the District was \$20,743,125, or 0.038%. State non-employer contributions allocated to the District were \$164,864 and \$239,461 for 2014 and 2013.

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 5. PENSION PLANS (CONT'D):**

**B. TEACHERS PENSION AND ANNUITY FUND (CONT'D)**

*Actuarial Assumptions-* The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary Increases (2012-2021)	Varies based on experience
Thereafter	Varies based on experience
Investment rate of return	7.90%

Mortality rates were based on the RP-2000 Combined Table for Males or Females, as appropriate with adjustments for mortality improvements based on Scale AA.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	
Cash	0.05%
Core Bonds	1.38%
Intermediate-Term Bonds	2.60%
Mortgages	2.84%
High Yield Bonds	4.15%
Inflation-Indexed Bonds	1.30%
Broad US Equities	5.88%
Developed Foreign Equities	6.05%
Emerging Market Equities	8.90%
Private Equity	9.15%
Hedge Funds/Absolute Return	3.85%
Real Estate (Property)	4.43%
Commodities	3.60%

*Discount Rate* – The discount rate used to measure the pension liabilities of TPAF was 4.68%

*Sensitivity of Net Pension Liability* – the following presents the net pension liability of TPAF calculated using the discount rates as disclosed above as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage rate higher than the current rate:

	<u>At 1% Decrease</u>	<u>At current discount rate</u>	<u>At 1% increase</u>
TPAF	\$64,722,984,539	\$53,813,067,539	\$44,738,870,539

*Plan Fiduciary Net Position* – The plan fiduciary net position for TPAF at June 30, 2014 was \$27,282,252,461.

## NOTES TO FINANCIAL STATEMENTS

### **NOTE 5. PENSION PLANS (CONT'D):**

#### **C: DEFINED CONTRIBUTION RETIREMENT PLAN**

The Defined Contribution Retirement Plan (DCRP) is a multiple employer defined contribution plan as defined in GASB Statement No. 68. The Plan is administered by The New Jersey Division of Pensions and Benefits (Division). The more significant aspects of the DCRP are as follows:

*Plan Membership and Contributing Employers-* Enrollment in the DCRP is required for state or local officials, elected or appointed on or after July 1, 2007; employees enrolled in TPAF or PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in TPAF or PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000 annually; and employees otherwise eligible to enroll in TPAF or PERS after May 21, 2010, who do not work the minimum number of hours per week required for tier 4 or tier 5 enrollment, but who earn salary of at least \$5,000 annually. At June 30, 2014, the membership in the DCRP, based on the information within the Division's database, was 28,270.

*Contribution Requirement and Benefit Provisions -* State and local government employers contribute 3% of the employees base salary. Active members contribute 5.5% of base salary.

Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and non forfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and non forfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

The Board did not have any employees enrolled in the DCRP at June 30, 2015.

### **NOTE 6. POST-RETIREMENT BENEFITS**

P.L. 1987, Chapter 384 and P.L. 1990, Chapter 6 required Teachers' Pensions and Annuity Fund (TPAF) and Public Employee's Retirement System (PERS), respectively, to fund postretirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2014, there were 103,432 retirees eligible for post-retirement medical benefits and the State contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to Chapter 126, P.L. 1992, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014.

The Division of Pensions issues a publicly available financial report that includes the financial statements and required supplementary information for the Health Benefits Program Fund – Local Government.

This report may be accessed via the Division of Pensions and Benefits website, at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions), or may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, NJ 08625.

**NOTE 6. POST-RETIREMENT BENEFITS (cont'd):**

The State contributions to the Health Benefits Program Fund of the District for TPAF retiree health benefits, for the last three years, is as follows:

<b><u>Three-Year Trend Information for TPAF (Paid on-behalf of the District)</u></b>				
<b><u>Year Funding</u></b>		<b><u>Annual Post Retirement Medical Cost (APC)</u></b>	<b><u>Percentage of APC Contributed</u></b>	<b><u>Net Pension Obligation</u></b>
6/30/15	\$	300,016.00	100 %	\$ 0
6/30/14		269,203.00	100	0
6/30/13		270,138.00	100	0

The amounts of State contributions to the Health Benefits Program fund on-behalf of the District for PERS retiree health benefits has not been made available.

**NOTE 7. COMPENSATED ABSENCES**

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

District employees are granted varying amounts of vacation and sick leave in accordance with the district's personnel policy. Upon termination, employees are paid for accrued vacation in accordance with the District's agreements with the various employee unions or individual employment contracts. The district's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the district for the unused sick leave in accordance with the District's agreements with the various employee unions or individual employment contracts.

In the district-wide *Statement of Net Position*, the liabilities whose average maturities are greater than one year should be reported in two components – the amount due within one year and the amount due in more than one year.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2015, no liability existed for compensated absences in the District Enterprise funds.

**NOTE 8. RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omission; injuries to employees; and natural disaster.

**Property and Liability Insurance**

The District is a member of the New Jersey School Boards Association Insurance Group (the "Group"). This public entity risk management pool provides general liability, property and automobile coverage and workers' compensation for its members. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report. The Group is a risk-sharing public entity risk pool that is an insured and self-administered group of school boards established for the purpose of providing low-cost insurance for its respective members in order to keep local property taxes to a minimum. Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for the Group are elected. As a member of the Group, The charter School could be subject to

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 8. RISK MANAGEMENT (cont'd):**

supplemental assessments in the event of deficiencies. If the assets of the Group were to be exhausted, members would become responsible for their respective shares of the Group's liabilities. The Group can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided among the members in the same ratio as their individual assessment related to the total assessment of the membership body.

Selected, summarized financial information for the Group as of June 30, 2014 is as follows:

New Jersey School Boards Association <u>Insurance Group</u>	
Total Assets	\$593,795,686
Net Assets	66,169,762
Total Revenue	119,852,548
Total Expenses	119,843,435
Change in Net Assets	780,440

**New Jersey Unemployment Compensation Insurance** - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of employee contributions and interest earnings, reimbursements to the State for benefits paid and the ending balance of the District's expendable trust fund for the current and prior two years:

<u>Fiscal Year</u>	<u>Contributions/Interest</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2014-2015	\$ 11,702.95	\$ 21,852.15	\$ 107,839.07
2013-2014	7,809.64	345.47	117,988.27
2012-2013	12,403.88	3,306.87	0.00

**NOTE 9. INTERFUND RECEIVABLES AND PAYABLES**

The following interfund balances remained on the balance sheet at June 30, 2015:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 119,792.23	\$ 7,777.51
Fiduciary Funds	7,777.51	
Special Revenue Fund		119,792.23
Total	\$ <u>127,569.74</u>	\$ <u>127,569.74</u>

**NOTE 10. INVENTORY**

Inventory in the Food Service Fund at June 30, 2015 consisted of the following:

Food	\$	5,630.94
Supplies		<u>1,640.10</u>
	\$	<u><u>7,271.04</u></u>

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1984) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of nonoperating revenue in the financial statements.

**NOTE 11. FUND BALANCE APPROPRIATED**

**General Fund (B-1)** - Of the \$441,266.69 General Fund balance at June 30, 2015, \$550,857.60 has been reserved in the Capital Reserve Account; \$75,054.93 has been reserved for Emergency Reserve; \$180,815.00 has been reserved for Maintenance Reserve; \$106,889.00 has been appropriated and included as anticipated revenue for the year ending June 30, 2015; \$11,514.39 is reserve for encumbrances and \$(483,864.23) is unassigned.

**Debt Service Fund (B-1)** – The \$26,334.53 Debt Service Fund balance at June 30, 2015 \$23,228.00 has been appropriated and included as anticipated revenue for the year ending June 30, 2015 and \$3,106.53 is assigned.

**NOTE 12. CALCULATION OF EXCESS SURPLUS**

In accordance with N.J.S.A. 18A: 7F-7, as amended by P.L. 2004, c.73 (S1701), the designation for Reserved Fund Balance -- Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2015, calculated on a budgetary basis pursuant to statute, is \$0.00.

**NOTE 13. CAPITAL RESERVE ACCOUNT**

A capital reserve account was established by the Jamesburg Board of Education by inclusion of \$100.00 on October 10, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP) and updated annually in the Quality Assurance Annual Report (QAAR). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of four special elections authorized pursuant to N.J.S.A 19:60 – 2. Pursuant to N.J.A.C. 6:23A-5.1 (d) 7, the balance in the account cannot at any time exceed the local support costs of uncompleted projects in its approved LRFP. The Activity of the Capital Reserve Account for the July 1, 2014 to June 30, 2015 fiscal year is as follows:

NOTES TO FINANCIAL STATEMENTS

**NOTE 13. CAPITAL RESERVE ACCOUNT (Cont'd)**

Beginning balance, July 1, 2014	\$425,602.04
Increased by:	
Board Resolution	125,000.00
Interest	<u>255.56</u>
Ending Balance June 30, 2015	<u>\$550,857.60</u>

**NOTE 14. OTHER RESERVES**

The District established a Maintenance Reserve Account.

The activity for the July 1, 2014 to June 30, 2015 fiscal year is as follows:

Beginning balance, July 1, 2014	\$130,815.00
Increased by:	
Board Resolution	<u>50,000.00</u>
Ending Balance June 30, 2015	<u>\$180,815.00</u>

The District established an Emergency Reserve Account.

The activity for the July 1, 2014 to June 30, 2015 fiscal year is as follows:

Beginning balance, July 1, 2014	\$75,040.52
Increased by:	
Interest	<u>14.41</u>
Ending Balance June 30, 2015	<u>\$75,054.93</u>

NOTES TO FINANCIAL STATEMENTS

**NOTE 15. DEFICIT FUND BALANCES**

The District has a deficit fund balance of \$(483,864.23) in the General Fund and \$(6,770.00) in the Special Revenue Fund at June 30, 2015 that would have been reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State recognizes the June state aid payment(s) (on the GAAP financial statements) until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the General and Special Revenue Fund balance deficit does not alone indicate that the district is facing financial difficulties.

Pursuant to *N.J.S.A.* 18A: 22-44.2 any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the payment of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District deficit in the GAAP funds statements of \$(490,634.23) is less than the last state aid payment.

**NOTE 16. RESTATEMENT OF GOVERNMENTAL ACTIVITIES NET POSITION**

The District implemented the provisions of GASB Statement No. 68 effective July 1, 2014. The adoption of this standard required recognition in the Governmental Activities Net Position and Activities of the District's proportionate share of the net pension liability of the Public Employees Retirement System (PERS), and an associated deferred outflow of financial resources for payments made subsequent to the June 30, 2013 measurement date. Prior to the implementation of GASB Statement No. 68, no amounts were required to be reported in the District's financial statements for its share of the PERS net pension liability or for the specific deferred inflows and deferred outflows of financial resources attributable to the District resulting from Plan operations. PERS pension expenditures/expenses were reported in the year paid, which lags the period in which PERS employer contributions are recorded by one fiscal year. The new standard improves the information provided in government financial reports about pension-related costs, obligations and the resources available to satisfy those obligations. A prior period adjustment to effect a restatement of the June 30, 2014 Governmental Activities Net Position was required as follows:

Governmental Activities Net Position as Reported 6-30-14	\$1,982,685.00
June 30, 2013 Proportionate Share of PERS	
Net Pension Liability	(\$1,881,903.00)
Accrued Pension Accounts Payable	(80,721.00)
Less: Deferred Outflow of Resources for	
Payment Subsequent to Measurement Date	<u>80,721.00</u>
Net Decrease in Governmental Activities Net Position	<u>(1,881,903.00)</u>
Governmental Activities Net Position 6-30-14 Restated	<u>\$100,782.00</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 17. PENDING LITIGATION AND CONTINGENT LIABILITIES

As at the date of this report, there was no litigation pending which, in the event of an adverse or unfavorable outcome, would materially impair the financial position of the District.

### NOTE 18. SUBSEQUENT EVENTS

As at the date of the audit report, no events have occurred that would have a material effect on the financial statements.

**REQUIRED SUPPLEMENTARY  
INFORMATION**

**PART II**

**BUDGETARY COMPARISON SCHEDULES**

**SECTION – C**

JAMESBURG SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Exhibit - C-1  
 Page 1 of 7

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL (GAAP BASIS)	VARIANCE POSITIVE(NEGATIVE) FINAL TO ACTUAL
<b>REVENUES:</b>					
<b>Local Sources:</b>					
Local Tax Levy	\$ 7,410,010.00	\$	\$ 7,410,010.00	\$ 7,410,010.00	\$ -
Miscellaneous	10,000.00		10,000.00	7,567.74	(2,432.26)
<b>Total - Local Sources</b>	<b>7,420,010.00</b>	<b>-</b>	<b>7,420,010.00</b>	<b>7,417,577.74</b>	<b>(2,432.26)</b>
<b>State Sources:</b>					
Categorical Transportation Aid	17,983.00		17,983.00	17,983.00	-
Extraordinary Aid	80,959.00		80,959.00	146,705.00	65,746.00
Categorical Special Education Aid	546,529.00		546,529.00	546,529.00	-
Equalization Aid	4,182,690.00		4,182,690.00	4,182,690.00	-
Security Aid	95,682.00		95,682.00	95,682.00	-
Other State Aid	185,215.00		185,215.00	190,040.00	4,825.00
On-behalf TPAF Pension			-		-
Contributions (non-budgeted)				188,986.00	188,986.00
On-behalf Post Retirement Medical					-
Contributions (non-budgeted)				300,016.00	300,016.00
Reimbursed TPAF Social Security				-	-
Contributions (non-budgeted)				257,006.25	257,006.25
<b>Total - State Sources</b>	<b>5,109,058.00</b>	<b>-</b>	<b>5,109,058.00</b>	<b>5,925,637.25</b>	<b>816,579.25</b>
<b>Total Revenues</b>	<b>12,529,068.00</b>	<b>-</b>	<b>12,529,068.00</b>	<b>13,343,214.99</b>	<b>814,146.99</b>
<b>EXPENDITURES:</b>					
<b>Current Expense:</b>					
<b>Regular Programs - Instruction:</b>					
<b>Salaries of Teachers:</b>					
Preschool/Kindergarten	324,110.00	(18,300.00)	305,810.00	304,119.72	1,690.28
Grades 1 - 5	1,113,098.00	10,000.00	1,123,098.00	1,111,133.04	11,964.96
Grades 6 - 8	664,152.00	60,300.00	724,452.00	715,105.67	9,346.33
<b>Regular Programs - Home Instruction:</b>					
Salaries of Teachers	3,000.00	-	3,000.00	2,857.50	142.50
Purchased Services	2,000.00	1,500.00	3,500.00	2,265.00	1,235.00
<b>Regular Programs - Undistributed Instruction:</b>					
Other Salaries for Instruction	47,516.00	(950.00)	46,566.00	36,306.18	10,259.82
Purchased Professional - Educational Services		74,850.00	74,850.00	73,882.52	967.48
Other Purchased Services	12,000.00	(4,000.00)	8,000.00	7,294.67	705.33
General Supplies	143,064.00	17,750.00	160,814.00	157,879.08	2,934.92
Textbooks	6,500.00	(250.00)	6,250.00	6,145.13	104.87
Other Objects	2,000.00	-	2,000.00	-	2,000.00
<b>Total Regular Programs - Instruction</b>	<b>2,317,440.00</b>	<b>140,900.00</b>	<b>2,458,340.00</b>	<b>2,416,988.51</b>	<b>41,351.49</b>

JAMESBURG SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Exhibit - C-1  
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	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL (GAAP BASIS)	VARIANCE POSITIVE(NEGATIVE) FINAL TO ACTUAL
Current Expense (cont'd):					
Special Education:					
Learning and/or Language Disabilities:					
Salaries of Teachers	\$ 70,007.00	\$ -	\$ 70,007.00	\$ 68,815.50	\$ 1,191.50
Other Salaries for Instruction	169,919.00	8,410.00	178,329.00	172,256.48	6,072.52
General Supplies	1,000.00	-	1,000.00	500.79	499.21
Textbooks	200.00	(200.00)	-	-	-
Total Learning and/or Language Disabilities	<u>241,126.00</u>	<u>8,210.00</u>	<u>249,336.00</u>	<u>241,572.77</u>	<u>7,763.23</u>
Behavioral Disabilities:					
Salaries of Teachers	49,931.00	-	49,931.00	19,492.62	30,438.38
Other Salaries for Instruction	12,173.00	-	12,173.00	12,051.13	121.87
General Supplies	400.00	-	400.00	400.00	400.00
Textbooks	100.00	-	100.00	-	100.00
Total Behavioral Disabilities	<u>62,604.00</u>	<u>-</u>	<u>62,604.00</u>	<u>31,543.75</u>	<u>31,060.25</u>
Resource Room/Resource Center:					
Salaries of Teachers	382,458.00	(5,100.00)	377,358.00	349,069.39	28,288.61
General Supplies	3,200.00	(150.00)	3,050.00	1,346.11	1,703.89
Textbooks	660.00	150.00	810.00	790.23	19.77
Total Resource Room/Resource Center	<u>386,318.00</u>	<u>(5,100.00)</u>	<u>381,218.00</u>	<u>351,205.73</u>	<u>30,012.27</u>
Preschool Disabilities:					
Salaries of Teachers		31,032.00	31,032.00	31,006.80	25.20
Other Salaries for Instruction		8,050.00	8,050.00	6,325.67	1,724.33
Purchased Professional - Educational Services		4,476.00	4,476.00	4,462.00	14.00
Other Purchased Services		450.00	450.00	-	450.00
General Supplies		11,665.00	11,665.00	11,382.07	282.93
Total Preschool Disabilities		<u>55,673.00</u>	<u>55,673.00</u>	<u>53,176.54</u>	<u>2,496.46</u>
Total Special Education	<u>690,048.00</u>	<u>58,783.00</u>	<u>748,831.00</u>	<u>677,498.79</u>	<u>71,332.21</u>
Basic Skills/Remedial:					
Salaries of Teachers	48,596.00	(3,400.00)	45,196.00	17,073.44	28,122.56
General Supplies	1,600.00	-	1,600.00	199.65	1,400.35
Total Basic Skills/Remedial	<u>50,196.00</u>	<u>(3,400.00)</u>	<u>46,796.00</u>	<u>17,273.09</u>	<u>29,522.91</u>
Bilingual Education:					
Salaries of Teachers	129,554.00	(52,000.00)	77,554.00	77,483.50	70.50
General Supplies	300.00	1,870.00	2,170.00	2,164.67	5.33
Textbooks	200.00	-	200.00	-	200.00
Total Bilingual Education	<u>130,054.00</u>	<u>(50,130.00)</u>	<u>79,924.00</u>	<u>79,648.17</u>	<u>275.83</u>
School - Sponsored Cocurricular Activities:					
Salaries	8,820.00	-	8,820.00	1,260.00	7,560.00
Total School - Sponsored Cocurricular Activities	<u>8,820.00</u>	<u>-</u>	<u>8,820.00</u>	<u>1,260.00</u>	<u>7,560.00</u>
Total Instruction	<u>3,196,558.00</u>	<u>146,153.00</u>	<u>3,342,711.00</u>	<u>3,192,668.56</u>	<u>150,042.44</u>
Undistributed Expenditures - Instruction:					
Tuition to Other LEAS Within the State - Regular	3,829,382.00	2,700.00	3,832,082.00	3,831,338.39	743.61
Tuition to Other LEAS Within the State - Special	423,923.00	(68,816.50)	355,106.50	354,589.00	517.50
Tuition to Private Schools for the Disabled within State	657,472.00	(140,021.00)	517,451.00	517,300.34	150.66
Tuition - State Facilities	18,500.00	13,806.00	32,306.00	32,306.00	-
Total Undistributed Expend. - Instruction	<u>4,929,277.00</u>	<u>(192,331.50)</u>	<u>4,736,945.50</u>	<u>4,735,533.73</u>	<u>1,411.77</u>
Attendance and Social Work Services:					
Salaries	4,000.00	-	4,000.00	775.00	3,225.00
Total Attendance and Social Work Services	<u>4,000.00</u>	<u>-</u>	<u>4,000.00</u>	<u>775.00</u>	<u>3,225.00</u>

JAMESBURG SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Exhibit - C-1  
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	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL (GAAP BASIS)	VARIANCE POSITIVE(NEGATIVE) FINAL TO ACTUAL
<b>EXPENDITURES (CONTD.):</b>					
<b>Current Expense (Cont'd.):</b>					
<b>Health Services:</b>					
Salaries	\$ 139,214.00	\$ 1,000.00	\$ 140,214.00	\$ 139,627.50	\$ 586.50
Purchased Professional and Technical Services	10,000.00	-	10,000.00	10,000.00	-
Other Purchased Services	1,700.00	21,650.50	23,350.50	9,217.70	14,132.80
Supplies and Materials	4,445.00	-	4,445.00	3,342.63	1,102.37
Miscellaneous	500.00	-	500.00	170.00	330.00
<b>Total Health Services</b>	<b>155,859.00</b>	<b>22,650.50</b>	<b>178,509.50</b>	<b>162,357.83</b>	<b>16,151.67</b>
<b>Speech, OT, PT and Related Services:</b>					
Purchased Professional - Educational Services	117,250.00	(8,806.00)	108,444.00	105,219.75	3,224.25
<b>Total Speech, OT, PT and Related Services</b>	<b>117,250.00</b>	<b>(8,806.00)</b>	<b>108,444.00</b>	<b>105,219.75</b>	<b>3,224.25</b>
<b>Other Supp. Serv. - Students - Extra. Serv.:</b>					
Purchased Professional - Educational Services	124,100.00	(3,375.00)	120,725.00	117,218.54	3,506.46
<b>Total Other Supp. Serv. - Students - Extra. Serv.</b>	<b>124,100.00</b>	<b>(3,375.00)</b>	<b>120,725.00</b>	<b>117,218.54</b>	<b>3,506.46</b>
<b>Guidance:</b>					
Salaries of Other Professional Staff	55,168.00	-	55,168.00	49,845.48	5,322.52
Other Purchased Prof. and Tech. Services	8,500.00	(8,500.00)	-	-	-
Other Purchased Services	2,600.00	4,000.00	6,600.00	6,500.00	100.00
Supplies and Materials	350.00	-	350.00	126.49	223.51
Other Objects	100.00	-	100.00	-	100.00
<b>Total Guidance</b>	<b>66,718.00</b>	<b>(4,500.00)</b>	<b>62,218.00</b>	<b>56,471.97</b>	<b>5,746.03</b>
<b>Child Study Teams:</b>					
Salaries of Other Professional Staff	188,665.00	-	188,665.00	161,393.44	27,271.56
Salaries of Secretarial and Clerical Assistants	19,319.00	19,319.00	38,638.00	37,667.96	970.04
Other Salaries	22,000.00	5,043.66	27,043.66	27,043.66	-
Purchased Profess. Educational Services	3,600.00	(800.00)	2,800.00	1,671.25	1,128.75
Misc. Purchased Services	8,500.00	50.00	8,550.00	8,355.43	194.57
Supplies and Materials	2,480.00	730.00	3,210.00	2,129.36	1,080.64
Miscellaneous	300.00	-	300.00	-	300.00
<b>Total Child Study Teams</b>	<b>244,864.00</b>	<b>24,342.66</b>	<b>269,206.66</b>	<b>238,261.10</b>	<b>30,945.56</b>
<b>Improvement of Instructional Services:</b>					
Salaries of Supervisors of Instruction	630.00	-	630.00	-	630.00
Purchased Professional - Educational Services	15,000.00	2,712.50	17,712.50	17,712.50	-
<b>Total Improvement of Instructional Services</b>	<b>15,630.00</b>	<b>2,712.50</b>	<b>18,342.50</b>	<b>17,712.50</b>	<b>630.00</b>

JAMESBURG SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Exhibit - C-1  
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	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL (GAAP BASIS)	VARIANCE POSITIVE(NEGATIVE) FINAL TO ACTUAL
<b>EXPENDITURES (CONTD.):</b>					
<b>Current Expense (Cont'd.):</b>					
<b>Instructional Staff Training Services:</b>					
Purchased Professional - Educational Services	\$ 9,250.00	\$ 1,100.00	\$ 10,350.00	\$ 7,523.00	\$ 2,827.00
Other Purchased Services	1,000.00	-	1,000.00	141.30	858.70
<b>Total Instructional Staff Training Services</b>	<b>10,250.00</b>	<b>1,100.00</b>	<b>11,350.00</b>	<b>7,664.30</b>	<b>3,685.70</b>
<b>Support Services - General Administration:</b>					
Salaries	170,199.00	20,250.00	190,449.00	190,328.30	120.70
Legal Services	61,500.00	-	61,500.00	55,045.51	6,454.49
Audit Fees	23,500.00	15,135.00	38,635.00	36,037.47	2,597.53
Purchased Technical Services	4,300.00	(1,205.00)	3,095.00	3,095.00	-
Equipment Rental	5,000.00	(4,000.00)	1,000.00	668.96	331.04
Communications/Telephone	7,400.00	-	7,400.00	7,037.09	362.91
Miscellaneous Purchased Services	22,720.00	1,600.00	24,320.00	24,240.52	79.48
General Supplies	1,500.00	-	1,500.00	1,214.05	285.95
Misc. Expenditures	13,174.00	(880.00)	12,294.00	10,469.32	1,824.68
<b>Total Support Services - General Administration</b>	<b>309,293.00</b>	<b>30,900.00</b>	<b>340,193.00</b>	<b>328,136.22</b>	<b>12,056.78</b>
<b>Support Services - School Administration:</b>					
Salaries of Principals/Assistant Principals	190,322.00	37,443.57	227,765.57	226,438.00	1,327.57
Salaries of Secretarial and Clerical Assistants	73,217.00	-	73,217.00	72,828.22	388.78
Other Purchased Services	17,120.00	(7,400.00)	9,720.00	9,139.11	580.89
Supplies and Materials	7,250.00	500.00	7,750.00	6,575.63	1,174.37
Other Objects	5,145.00	(1,800.00)	3,345.00	3,272.75	72.25
<b>Total Support Services - School Administration</b>	<b>293,054.00</b>	<b>28,743.57</b>	<b>321,797.57</b>	<b>318,253.71</b>	<b>3,543.86</b>
<b>Central Services:</b>					
Salaries	162,954.00	-	162,954.00	162,378.96	575.04
Purchased Professional Services	30,700.00	(1,437.00)	29,263.00	29,260.91	2.09
Business Office Equipment	4,500.00	-	4,150.00	4,149.54	0.46
Miscellaneous Purchased Services	8,900.00	7,894.00	16,794.00	15,279.53	1,514.47
Supplies and Materials	5,500.00	500.00	6,000.00	5,941.80	58.20
Miscellaneous Expenditures	2,600.00	(1,610.00)	990.00	990.00	-
<b>Total Central Services</b>	<b>215,154.00</b>	<b>5,347.00</b>	<b>220,151.00</b>	<b>218,000.74</b>	<b>2,150.26</b>
<b>Administrative Information Technology:</b>					
Salaries	66,963.00	(20,000.00)	46,963.00	44,642.08	2,320.92
Purchased Technical Services	8,000.00	24,168.00	32,168.00	29,105.50	3,062.50
<b>Total Administrative Information Technology</b>	<b>74,963.00</b>	<b>4,168.00</b>	<b>79,131.00</b>	<b>73,747.58</b>	<b>5,383.42</b>

JAMESBURG SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Exhibit - C-1  
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	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL (GAAP BASIS)	VARIANCE POSITIVE(NEGATIVE) FINAL TO ACTUAL
<b>Required Maintenance for School Facilities:</b>					
Salaries	\$ 50,000.00	\$ (5,500.00)	\$ 44,500.00	\$ 40,020.58	\$ 4,479.42
Cleaning, Repair, and Maintenance Services	35,000.00	9,875.00	44,875.00	40,130.97	4,744.03
General Supplies	3,500.00	5,378.65	8,878.65	7,219.23	1,659.42
Other Objects	1,000.00	(100.00)	900.00	900.00	-
<b>Total Required Maint. for School Facilities</b>	<b>89,500.00</b>	<b>9,653.65</b>	<b>99,153.65</b>	<b>87,370.78</b>	<b>11,782.87</b>
<b>Custodial Services:</b>					
Salaries	238,338.00	9,000.00	247,338.00	242,113.67	5,224.33
Cleaning, Repair & Maintenance Services	66,650.00	1,500.00	68,150.00	67,381.49	768.51
Other Purchased Property Services	13,500.00	-	13,500.00	12,711.31	788.69
Insurance	44,516.00	(3,660.00)	40,856.00	40,854.52	1.48
Miscellaneous Purchased Services	3,525.00	3,500.00	7,025.00	6,439.68	585.32
General Supplies	22,000.00	6,721.35	28,721.35	27,729.12	992.23
Energy (Natural Gas)	150,000.00	(22,840.00)	127,160.00	110,183.84	16,976.16
Other Objects	150.00	-	150.00	150.00	-
<b>Total Custodial Services</b>	<b>538,679.00</b>	<b>(5,778.65)</b>	<b>532,900.35</b>	<b>507,413.63</b>	<b>25,486.72</b>
<b>Student Transportation Services:</b>					
Contracted Services (Special Ed. Students) - Joint Agreements	245,412.00	(33,000.00)	212,412.00	205,816.20	6,595.80
Contracted Services (Regular Students) - ESCs	70,000.00	49,396.00	119,396.00	111,282.72	8,113.28
Contracted Services (Special Ed. Students) - ESCs	309,000.00	(70,664.00)	238,336.00	235,830.02	2,505.98
Transportation Mangagment Fee	10,350.00	-	10,350.00	10,350.00	-
Contracted Services - Aid in Lieu of Payments	11,492.00	1,768.00	13,260.00	11,050.00	2,210.00
<b>Total Student Transportation Services</b>	<b>646,254.00</b>	<b>(52,500.00)</b>	<b>593,754.00</b>	<b>574,328.94</b>	<b>19,425.06</b>

JAMESBURG SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Exhibit - C-1  
 Page 6 of 7

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL (GAAP BASIS)	VARIANCE POSITIVE(NEGATIVE) FINAL TO ACTUAL
<b>EXPENDITURES (CONTD.):</b>					
<b>Current Expense (Cont'd.):</b>					
<b>Unallocated Benefits - Employee Benefits:</b>					
Social Security Contributions	\$ 85,680.00	\$ (10,000.00)	\$ 75,680.00	\$ 73,730.09	\$ 1,949.91
Flex Spending Account	-	1,000.00	1,000.00	-	1,000.00
Other Retirement Contributions - Regular	90,624.00	(6,800.00)	83,824.00	80,720.98	3,103.02
Unemployment Compensation	5,000.00	(4,000.00)	1,000.00	1,000.00	-
Workers' Compensation	51,000.00	3,747.64	54,747.64	52,069.04	2,678.60
Health Benefits	1,336,999.00	24,770.27	1,361,769.27	1,361,639.06	130.21
Tuition Reimbursement	10,000.00	(3,747.64)	6,252.36	5,976.44	275.92
Other Employee Benefits	84,900.00	(20,100.00)	64,800.00	64,531.73	268.27
<b>Total Unallocated Benefits - Employee Benefits</b>	<b>1,664,203.00</b>	<b>(15,129.73)</b>	<b>1,649,073.27</b>	<b>1,639,667.34</b>	<b>9,405.93</b>
<b>Total Personal Services - Employee Benefits</b>	<b>1,664,203.00</b>	<b>(15,129.73)</b>	<b>1,649,073.27</b>	<b>1,639,667.34</b>	<b>9,405.93</b>
<b>On-behalf TPAF Pension Contributions (non-budgeted)</b>					
				188,986.00	(188,986.00)
<b>On-behalf Post Retirement Medical Contributions (non-budgeted)</b>					
				300,016.00	(300,016.00)
<b>Reimbursed TPAF Social Security Contributions (non-budgeted)</b>					
				257,006.25	(257,006.25)
<b>Total Undistributed Expenditures</b>	<b>9,499,048.00</b>	<b>(152,803.00)</b>	<b>9,345,895.00</b>	<b>9,934,141.91</b>	<b>(588,246.91)</b>
<b>Total Expenditures - Current Expense</b>	<b>12,695,606.00</b>	<b>(6,650.00)</b>	<b>12,688,606.00</b>	<b>13,126,810.47</b>	<b>(438,204.47)</b>
<b>CAPITAL OUTLAY:</b>					
<b>Facilities Acquis. &amp; Constr. Services:</b>					
Architectural/Engineering Services	-	25,600.00	25,600.00	23,431.39	2,168.61
Construction Services	30,000.00	(25,600.00)	4,400.00	4,400.00	-
Infrastructure	41,000.00	-	41,000.00	34,927.00	6,073.00
Assessment for Debt Service on SDA Funding	3,804.00	-	3,804.00	3,804.00	-
<b>Total Facil. Acquis. &amp; Constr. Services</b>	<b>74,804.00</b>	<b>-</b>	<b>74,804.00</b>	<b>62,162.39</b>	<b>12,641.61</b>
<b>Total Capital Outlay</b>	<b>74,804.00</b>	<b>-</b>	<b>74,804.00</b>	<b>62,162.39</b>	<b>12,641.61</b>
<b>Total Expenditures</b>	<b>12,770,410.00</b>	<b>-</b>	<b>12,763,410.00</b>	<b>13,188,972.86</b>	<b>(425,562.86)</b>

JAMESBURG SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Exhibit - C-1  
 Page 7 of 7

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL (GAAP BASIS)	VARIANCE POSITIVE(NEGATIVE) FINAL TO ACTUAL
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (241,342.00)	\$ -	\$ (234,342.00)	\$ 154,242.13	\$ 388,584.13
Other Financing Sources/(Uses):					
Transfer of Funds to Charter School			(7,000.00)	(6,703.00)	(297.00)
Total Other Financing Sources/(Uses)	-	-	(7,000.00)	(6,703.00)	(297.00)
Excess (Deficiency) of Revenues and Other Financing Sources/(Uses) Over (Under) Expenditures and Other Financing Uses	(241,342.00)	-	(241,342.00)	147,539.13	388,287.13
Fund Balances, July 1	1,067,563.93		1,067,563.93	1,067,563.93	
Fund Balances, June 30	\$ 826,221.93	\$ -	\$ 826,221.93	\$ 1,215,103.06	\$ 388,287.13
Recapitulation:					
Restricted Fund Balance:					
Emergency Reserve				\$ 75,054.93	
Maintenance Reserve				180,815.00	
Capital Reserve Account				550,857.60	
Committed Fund Balance:					
Year - End Encumbrances				11,514.03	
Assigned Fund Balance:					
Designated for Subsequent Year's Expenditures				106,889.00	
Unassigned Fund Balance				289,972.50	
				\$ 1,215,103.06	
Reconciliation to Governmental Funds Statement (GAAP):					
Last State Aid Payment not recognized on GAAP basis				(497,397.00)	
Extraordinary Aid				(146,705.00)	
Deferred State Health Benefit Payments				(129,734.37)	
Fund Balance per Governmental Funds (GAAP)				\$ 441,266.69	

JAMESBURG SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 SPECIAL REVENUE FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Exhibit C-2  
 Page 1 of 2

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
REVENUES:					
Local Sources:					
Revenue from Local Sources	\$ 5,000.00	\$ _____	\$ 5,000.00	\$ 5,000.00	\$ _____
Total - Local Sources	<u>5,000.00</u>	<u>_____</u>	<u>5,000.00</u>	<u>5,000.00</u>	<u>_____</u>
State Sources:					
Preschool Expansion Aid	67,803.00	-	67,803.00	67,582.64	(220.36)
Total - State Sources	<u>67,803.00</u>	<u>-</u>	<u>67,803.00</u>	<u>67,582.64</u>	<u>(220.36)</u>
Federal Sources:					
I.D.E.A., Part B (Handicapped)	181,330.00	-	181,330.00	181,330.00	-
I.D.E.A., Part B Preschool	5,331.00	-	5,331.00	5,331.00	-
NCLB - Title I, Part A	202,958.00	-	202,958.00	180,653.18	(22,304.82)
NCLB - Title II, Part A	26,713.00	(6,547.00)	20,166.00	13,057.25	(7,108.75)
NCLB - Title III	18,047.00	(847.00)	17,200.00	14,639.37	(2,560.63)
Total - Federal Sources	<u>434,379.00</u>	<u>(7,394.00)</u>	<u>426,985.00</u>	<u>395,010.80</u>	<u>(31,974.20)</u>
Total Revenues	<u>507,182.00</u>	<u>(7,394.00)</u>	<u>499,788.00</u>	<u>467,593.44</u>	<u>(32,194.56)</u>

JAMESBURG SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 SPECIAL REVENUE FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
<b>EXPENDITURES:</b>					
Instruction (cont'd)					
Salaries of Teachers	\$ 172,793.00	\$ (7,394.00)	\$ 165,399.00	\$ 163,004.43	\$ 2,394.57
Other Purchased Services	39,242.00	-	39,242.00	11,735.00	27,507.00
Tuition	186,661.00	-	186,661.00	186,661.00	
General Supplies	3,714.00	-	3,714.00	3,157.12	556.88
Total Instruction	<u>402,410.00</u>	<u>(7,394.00)</u>	<u>395,016.00</u>	<u>364,557.55</u>	<u>30,458.45</u>
Support Services					
Salaries of Project Directors	6,000.00	-	6,000.00	6,000.00	
Salaries of Other Professional Staff	12,500.00	-	12,500.00	12,500.00	
Salaries of Secretarial and Clerical Assistants		-			
Personal Services - Employee Benefits	63,748.00	-	63,748.00	63,748.00	
Purchased Professional - Educational Services	10,834.00	-	10,834.00	10,300.00	534.00
Other Purchased Services (400-500 series)	6,657.00	-	6,657.00	6,000.00	657.00
Supplies and Materials	4,033.00	-	4,033.00	3,708.25	324.75
Miscellaneous Expenditures	1,000.00	-	1,000.00	779.64	220.36
Total Support Services	<u>104,772.00</u>	<u>-</u>	<u>104,772.00</u>	<u>103,035.89</u>	<u>1,736.11</u>
Total Expenditures	<u>507,182.00</u>	<u>(7,394.00)</u>	<u>499,788.00</u>	<u>467,593.44</u>	<u>32,194.56</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ _____</u>	<u>\$ -</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>

**NOTES TO THE REQUIRED  
SUPPLEMENTARY INFORMATION – PART II**

JAMESBURG SCHOOL DISTRICT  
 REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULE  
 NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Note A - Explanation of Differences between Budgetary Inflows and Outflows and  
 GAAP Revenues and Expenditures

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (C-series)	\$ 13,343,214.99	\$ 467,593.44
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		(3,699.20)
State aid payment recognized for budgetary purposes, not recognized for GAAP statements.	(644,102.00)	(6,770.00)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	628,140.00	7,552.00
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds. (B-2)	13,327,252.99	464,676.24
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	13,188,972.86	467,593.44
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		(3,699.20)
Deferred Health Benefits Adjustment (net)	(106,231.56)	
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	\$ 13,082,741.30	\$ 463,894.24

**REQUIRED SUPPLEMENTARY  
INFORMATION**

**PART III**

**SCHEDULES RELATED TO ACCOUNTING AND  
REPORTING FOR PENSIONS (GASB 68)**

**SECTION – L**

**(Section numbering as per N.J. Department of Education  
2014-2015 Audit Program)**

JAMESBURG SCHOOL DISTRICT  
 SCHEDULE OF THE DISTRICT'S SHARE OF THE NET PENSION LIABILITY  
PUBLIC EMPLOYEES RETIREMENT SYSTEM (Local Group)

	<u>Last 10 Fiscal Years*</u>	
	<u>2013</u>	<u>2014</u>
District's Proportion of the Net Pension Liability	0.009846717	0.009791656
District's Proportionate Share of the Net Pension Liability	\$1,881,903	\$1,833,266
District's Covered-Employee Payroll	\$638,175	\$651,199
District's Proportionate Share of the Net Pension Liability as a percentage of the Covered-Employee Payroll	294.89%	281.52%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	48.72%	52.08%

\* Amounts presented for each fiscal year were determined as of June 30.

JAMESBURG SCHOOL DISTRICT  
 SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS  
PUBLIC EMPLOYEES RETIREMENT SYSTEM (Local Group)

Last 10 Fiscal Years\*

	<u>2014</u>	<u>2015</u>
Contractually Required Contribution	\$ 74,193	\$ 80,721
Contribution in Relation to Contractually Required Contribution	<u>\$ (74,193)</u>	<u>\$ (80,721)</u>
Contribution deficiency (excess)	\$ -	\$ -
District's Proportionate Share of the Payroll	\$ 651,199	\$ 641,703
Contributions as a percentage of Covered Employee Payroll	11.39%	12.58%

\* Amounts presented for each fiscal year were determined as of June 30.

JAMESBURG SCHOOL DISTRICT  
 SCHEDULE OF THE DISTRICT'S SHARE OF THE NET PENSION LIABILITY  
TEACHERS PENSION AND ANNUITY FUND ( Non-State Employer Group)

	<u>Last 10 Fiscal Years*</u>	
	<u>2013</u>	<u>2014</u>
Proportion of the Non-State Employer Group Net Pension Liability attributable to the District	0.00036973	0.000388108
Share of the Liability of the State of New Jersey for the Net Pension Liability of the Non-State Employer Group	\$55,942,720	\$58,140,363
District's Covered-Employee Payroll	\$638,175	\$651,199
Share of the Liability of the State of New Jersey for the Net Pension Liability of the Non-State Employer Group as a percentage of the District's Covered-Employee Payroll	8766.05%	8928.20%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability (See Note Below)	33.76%	33.64%

\* Amounts presented for each fiscal year were determined as of June 30.

Note: Percentages shown are Plan-wide, and include NPL and PFNP data that include employees of the State of New Jersey.

**JAMESBURG SCHOOL DISTRICT**  
**COUNTY OF MIDDLESEX, NEW JERSEY**

**NOTES TO REQUIRED SUPPLEMENTARY PENSION INFORMATION**  
**JUNE 30, 2015**

**NOTE 1. CHANGES IN ASSUMPTIONS**

Net pension liabilities for the years ended June 30, 2013 and 2014 were based on RP-2000 mortality tables utilizing actuarial experience studies covering the following periods:

TPAF: July 1, 2009 to June 30, 2012

PERS: July 1, 2008 to June 30, 2011

**OTHER SUPPLEMENTARY INFORMATION**

**SCHOOL LEVEL SCHEDULES**

**SECTION – D**

**SPECIAL REVENUE FUND**

**SECTION – E**

JAMESBURG SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	IDEA Part B Basic Reg. FY 2015	IDEA Part B Preschool FY 2015	NCLB- Title I, Part A FY 2015	NCLB- Title II, Part A FY 2015	Preschool Expansion Aid FY 2015	NCLB - Title III Immigrant FY 2015	NJSBA Safety Grant	Totals 2015
<b>REVENUES:</b>								
State Sources	\$	\$	\$	\$	\$ 67,582.64	\$	\$	\$ 67,582.64
Federal Sources	181,330.00	5,331.00	180,653.18	13,057.25		14,639.37		395,010.80
Local Sources							5,000.00	5,000.00
<b>Total Revenues</b>	<b>181,330.00</b>	<b>5,331.00</b>	<b>180,653.18</b>	<b>13,057.25</b>	<b>67,582.64</b>	<b>14,639.37</b>	<b>5,000.00</b>	<b>467,593.44</b>
<b>EXPENDITURES:</b>								
<b>Instruction:</b>								
Salaries of Teachers			136,421.18	2,897.75	20,000.00	3,685.50		163,004.43
Other Purchased Services					11,735.00			11,735.00
Tuition	181,330.00	5,331.00						186,661.00
General Supplies						3,157.12		3,157.12
<b>Total Instruction</b>	<b>181,330.00</b>	<b>5,331.00</b>	<b>136,421.18</b>	<b>2,897.75</b>	<b>31,735.00</b>	<b>6,842.62</b>		<b>364,557.55</b>
<b>Support Services:</b>								
Salaries of Supervisors of Instruc.					6,000.00			6,000.00
Salaries of Project Directors					6,000.00			12,500.00
Salaries of Other Professional Staff			6,500.00					6,500.00
Personal Services - Employee Benefits			37,732.00		23,068.00	2,948.00		63,748.00
Purch. Professional - Educational Svs.				9,100.00		1,200.00		10,300.00
Other Purch. Prof. Services				350.00		650.00	5,000.00	6,000.00
Supplies and Materials				709.50		2,998.75		3,708.25
Miscellaneous Expenditures					779.64			779.64
<b>Total Support Services</b>			<b>44,232.00</b>	<b>10,159.50</b>	<b>35,847.64</b>	<b>7,796.75</b>	<b>5,000.00</b>	<b>103,035.89</b>
<b>Total Expenditures</b>	<b>\$ 181,330.00</b>	<b>\$ 5,331.00</b>	<b>\$ 180,653.18</b>	<b>\$ 13,057.25</b>	<b>\$ 67,582.64</b>	<b>\$ 14,639.37</b>	<b>5,000.00</b>	<b>\$ 467,593.44</b>

JAMESBURG SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
PRESCHOOL EDUCATION AID  
STATEMENT OF EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
<u>EXPENDITURES</u>			
Instruction:			
Salaries of Teachers	\$ 20,000.00	\$ 20,000.00	\$
Other Purch. Services	4,636.00	4,636.00	
General Supplies	<u>7,099.00</u>	<u>7,099.00</u>	
Total Instruction	<u>31,735.00</u>	<u>31,735.00</u>	
Support Services:			
Salary Program Director	6,000.00	6,000.00	
Other Salaries Other Prof. Staff	6,000.00	6,000.00	
Personal Services - Employee Benefits	23,068.00	23,068.00	
Miscellaneous	<u>1,000.00</u>	<u>779.64</u>	220.36
Total Support Services	<u>36,068.00</u>	<u>35,847.64</u>	220.36
Total Expenditures	<u>\$ 67,803.00</u>	<u>\$ 67,582.64</u>	<u>\$ 220.36</u>
Total Revised 2014-15 Preschool Education Aid Allocation			\$ 67,704.00
Actual Preschool Aid Carryover (June 30, 2013)			<u>99.00</u>
Total Preschool Education Funds Available 2014-15 Budget			67,803.00
Less: 2014-15 Budgeted Preschool Education Aid (Incl. Prior Year Budgeted Carryover)			<u>67,803.00</u>
2014-2015 Actual Carryover			<u>220.36</u>
2014-2015 Actual Carryover - Preschool Education Aid			<u>220.36</u>
2014-15 Preschool Ed Aid Carryover Budgeted in 2015-2016			<u>\$ 220.36</u>

**CAPITAL PROJECTS FUND**

**SECTION – F**

**PROPRIETARY FUNDS**

**SECTION – G**

**ENTERPRISE FUND**

JAMESBURG SCHOOL DISTRICT  
 COMBINING STATEMENT OF NET POSITION  
 ENTERPRISE FUNDS  
 FOOD SERVICE  
 AS OF JUNE 30, 2015

	<u>FOOD SERVICE - ENTERPRISE FUND</u>	<u>CHILDCARE PROGRAM</u>	<u>TOTALS</u>
Assets:			
Cash and Cash Equivalents	\$ 87,354.34	\$ 265,838.32	\$ 353,192.66
Accounts Receivable:			
State	279.88		279.88
Federal	16,089.98		16,089.98
Other	396.87		396.87
Inventories	<u>7,271.04</u>		<u>7,271.04</u>
Total Current Assets	<u>111,392.11</u>	<u>265,838.32</u>	<u>377,230.43</u>
Noncurrent Assets:			
Fixed Assets:			
Equipment	150,378.33		150,378.33
Accumulated Depreciation	<u>(135,987.75)</u>		<u>(135,987.75)</u>
Total Noncurrent Assets	<u>14,390.58</u>	<u>-</u>	<u>14,390.58</u>
Total Assets	<u>\$ 125,782.69</u>	<u>\$ 265,838.32</u>	<u>\$ 391,621.01</u>
Liabilities:			
Current Liabilities:			
Deferred Revenue	1,710.90		1,710.90
Accounts Payable	<u>6,176.48</u>		<u>6,176.48</u>
Total Current Liabilities	<u>7,887.38</u>	<u>-</u>	<u>7,887.38</u>
Total Liabilities	<u>\$ 7,887.38</u>	<u>\$ -</u>	<u>\$ 7,887.38</u>
Net Position:			
Investment in Capital Assets - Net of Related Debt	14,390.58		14,390.58
Unrestricted (Deficit)	<u>103,504.73</u>	<u>265,838.32</u>	<u>369,343.05</u>
Total Net Position	<u>\$ 117,895.31</u>	<u>\$ 265,838.32</u>	<u>\$ 383,733.63</u>

JAMESBURG SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENSES  
 AND CHANGES IN NET POSITION  
 ENTERPRISE FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	FOOD SERVICE - ENTERPRISE FUND	CHILDCARE PROGRAM	TOTALS
Operating Revenues:			
Charges for Daily Services:			
Daily Sales - Reimbursable Programs:			
School Lunch Program	\$ 92,638.53		\$ 92,638.53
Daily Sales - Nonreimbursable	7,943.47		7,943.47
Childcare Fees		212,757.54	212,757.54
Total Operating Revenues	<u>100,582.00</u>	<u>212,757.54</u>	<u>313,339.54</u>
Operating Expenses:			
Salaries	80,681.81	149,757.51	230,439.32
Employee Benefits	34,684.78	11,491.84	46,176.62
Purchased Prof/Tech. Services	1,691.41	11,098.34	12,789.75
Supplies and Materials	9,100.76	18,248.44	27,349.20
Repairs and Maintenance	522.46		522.46
Management Fee	13,635.00		13,635.00
Depreciation	5,146.16		5,146.16
Cost of Sales	131,995.99		131,995.99
Total Operating Expenses	<u>277,458.37</u>	<u>190,596.13</u>	<u>468,054.50</u>
Operating Income (Loss)	<u>(176,876.37)</u>	<u>22,161.41</u>	<u>(154,714.96)</u>
Nonoperating Revenues:			
State Sources:			
State School Lunch Program	3,836.76		3,836.76
Federal Sources:			-
National School Lunch Program	138,202.74		138,202.74
National School Lunch Program-Performance Based	4,240.08		
National School Breakfast Program	41,205.40		41,205.40
Food Distribution Program	15,655.69		15,655.69
Total Non-Operating Revenues	<u>\$ 203,140.67</u>	<u>\$ -</u>	<u>\$ 198,900.59</u>
Net Income (Loss) before Operating Transfers	<u>26,264.30</u>	<u>22,161.41</u>	<u>44,185.63</u>
Change in Net Position	26,264.30	22,161.41	44,185.63
Total Net Position - Beginning	<u>91,631.01</u>	<u>243,676.91</u>	<u>335,307.92</u>
Total Net Position - Ending	<u>\$ 117,895.31</u>	<u>\$ 265,838.32</u>	<u>\$ 379,493.55</u>

JAMESBURG SCHOOL DISTRICT  
 COMBINING STATEMENT OF CASH FLOWS  
 ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>FOOD SERVICE - ENTERPRISE FUND</u>	<u>CHILDCARE PROGRAM</u>	<u>TOTAL ENTERPRISE FUND</u>
Cash Flows from Operating Activities:			
Cash Received from Customers	\$ 108,643.51	\$ 212,859.25	\$ 321,502.76
Cash Payments to Employees	(80,681.81)	(149,757.51)	(230,439.32)
Cash Payments to Suppliers for Goods and Services	<u>(173,863.53)</u>	<u>(40,838.62)</u>	<u>(214,702.15)</u>
Net Cash Provided by Operating Activities	<u>(145,901.83)</u>	<u>22,263.12</u>	<u>(123,638.71)</u>
Cash Flows from Non-Capital Financing Activities:			
Cash Received from State and Federal Sources	<u>205,760.04</u>	-	<u>205,760.04</u>
Net Cash Provided by Non-Capital Financing Activities	<u>205,760.04</u>	-	<u>205,760.04</u>
Net Increase (Decrease) in Cash and Cash Equivalents	59,858.21	22,263.12	82,121.33
Cash and Cash Equivalents at Beginning of Year	<u>27,158.21</u>	<u>243,575.20</u>	<u>270,733.41</u>
Cash and Cash Equivalents at End of Year	<u>\$ 87,016.42</u>	<u>\$ 265,838.32</u>	<u>\$ 352,854.74</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ (176,876.37)	\$ 22,161.41	\$ (154,714.96)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Income:			
Depreciation Expense	5,146.16		5,146.16
Food Distribution Program	15,655.69		15,655.69
Changes in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	7,510.51		7,510.51
(Increase) Decrease in Inventory	(4,065.30)		(4,065.30)
(Increase) Decrease in Interfunds	2,888.28	101.71	2,989.99
Increase (Decrease) in Deferred Revenue	(2,337.28)		(2,337.28)
Increase (Decrease) in Accounts Payable	<u>6,176.48</u>		<u>6,176.48</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (145,901.83)</u>	<u>\$ 22,263.12</u>	<u>\$ (123,638.71)</u>

**INTERNAL SERVICE FUND**

**FIDUCIARY FUNDS**

**SECTION - H**

JAMESBURG SCHOOL DISTRICT  
 COMBINING STATEMENT OF FIDUCIARY NET POSITION  
 FIDUCIARY FUND  
FOR THE YEAR ENDED JUNE 30, 2015

	TRUST FUND		AGENCY FUND	
	UNEMPLOYMENT COMPENSATION TRUST	NON-EXPENDABLE SCHOLARSHIP TRUST	STUDENT ACTIVITY	PAYROLL
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 101,027.76	\$ 5,663.11	\$ 6,367.38	\$ 81,012.54
Interfund Accounts Receivable	<u>7,777.51</u>			
Total Assets	<u>\$ 108,805.27</u>	<u>\$ 5,663.11</u>	<u>\$ 6,367.38</u>	<u>\$ 81,012.54</u>
<u>LIABILITIES AND NET POSITION</u>				
Liabilities:				
Accounts Payable	\$ 966.20		\$ 1,410.05	
Payroll Deductions and Withholdings Due to Student Groups			<u>4,957.33</u>	81,012.54
Total Liabilities	<u>966.20</u>		<u>\$ 6,367.38</u>	<u>\$ 81,012.54</u>
Net Position:				
Held in Trust for Unemployment Claims and Other Purposes	<u>107,839.07</u>	<u>5,663.11</u>		
Total Net Position	<u>\$ 107,839.07</u>	<u>\$ 5,663.11</u>		

JAMESBURG SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2015

	<u>UNEMPLOYMENT COMPENSATION TRUST</u>	<u>PRIVATE PURPOSE SCHOLARSHIP FUND</u>
ADDITIONS:		
Contributions:		
Employee	\$ 8,466.03	\$
Employer ( Board Contribution)	3,236.92	
Donations		<u>400.00</u>
Total Contributions	<u>11,702.95</u>	<u>400.00</u>
Investment Earnings:		
Interest		<u>6.63</u>
Total investment earnings	<u>-</u>	<u>6.63</u>
Total Additions	<u>11,702.95</u>	<u>406.63</u>
DEDUCTIONS:		
Scholarship Awarded		1,630.00
Unemployment Claims	<u>21,852.15</u>	
Total Deductions	<u>21,852.15</u>	<u>1,630.00</u>
Change in Net Position	<u>(10,149.20)</u>	<u>(1,223.37)</u>
Net Position - Beginning of the Year	<u>117,988.27</u>	<u>6,886.48</u>
Net Position - End of the Year	<u>\$ 107,839.07</u>	<u>\$ 5,663.11</u>

JAMESBURG SCHOOL DISTRICT  
 SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
 STUDENT ACTIVITY AGENCY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>BALANCE JUNE 30, 2014</u>	<u>CASH RECEIPTS</u>	<u>CASH DISBURSEMENTS</u>	<u>BALANCE JUNE 30, 2015</u>
<u>ELEMENTARY SCHOOLS</u>				
John F. Kennedy Elementary	\$ 4,393.34	\$	\$ 432.07	\$ 3,961.27
Grace M Breckwedel Middle School	1,646.65	11,478.40	10,718.94	2,406.11
	<hr/>	<hr/>	<hr/>	<hr/>
Total All Schools	<u>\$ 6,039.99</u>	<u>\$ 11,478.40</u>	<u>\$ 11,151.01</u>	<u>\$ 6,367.38</u>

JAMESBURG SCHOOL DISTRICT  
 SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
 PAYROLL AGENCY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	BALANCE JUNE 30, 2014	<u>RECEIPTS</u>	<u>DISBURSEMENTS</u>	BALANCE JUNE 30, 2015
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ <u>75,055.05</u>	\$ <u>2,841,590.90</u>	\$ <u>2,835,633.41</u>	\$ <u>81,012.54</u>
Total Assets	\$ <u><u>75,055.05</u></u>	\$ <u><u>2,841,590.90</u></u>	\$ <u><u>2,835,633.41</u></u>	\$ <u><u>81,012.54</u></u>
<u>LIABILITIES</u>				
Payroll Deductions and Withholdings	\$ 75,055.05	\$ 952,858.07	\$ 946,900.58	\$ 81,012.54
Net Payroll	<u>                    </u>	<u>1,888,732.83</u>	<u>1,888,732.83</u>	<u>                    </u>
Total Liabilities	\$ <u><u>75,055.05</u></u>	\$ <u><u>2,841,590.90</u></u>	\$ <u><u>2,835,633.41</u></u>	\$ <u><u>81,012.54</u></u>

**LONG-TERM DEBT**

**SECTION - I**

JAMESBURG SCHOOL DISTRICT  
 SCHEDULE OF SERIAL BONDS  
 LONG-TERM DEBT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

ISSUE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	ANNUAL MATURITIES		INTEREST RATE	BALANCE JUNE 30, 2014	ADDITIONS	RETIRED	BALANCE JUNE 30, 2015
			DATE	AMOUNT					
Refinancing Bonds	9/16/04	\$ 4,875,000.00	2/1/15	\$ 355,000.00	3.700%	\$ 2,840,000.00		\$ 2,840,000.00	
			2/1/16	375,000.00	3.800%				
			2/1/17	385,000.00	3.900%				
			2/1/18	405,000.00	4.000%				
			2/1/19	420,000.00	4.050%				
			2/1/20	440,000.00	4.150%				
			2/1/21	460,000.00	4.350%				
Refunding Bonds	7/1/14	2,760,000.00	1/1/15	390,000.00	2.000%		2,760,000.00	390,000.00	2,370,000.00
			1/1/16	360,000.00	3.000%				
			1/1/17	370,000.00	3.000%				
			1/1/18	385,000.00	4.000%				
			1/1/19	400,000.00	4.000%				
			1/1/20	420,000.00	4.000%				
			1/1/21	435,000.00	4.000%				
Totals						\$ 2,840,000.00	\$ 2,760,000.00	\$ 3,230,000.00	\$ 2,370,000.00

JAMESBURG SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 DEBT SERVICE FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Exhibit I-3

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL (GAAP BASIS)	VARIANCE POSITIVE (NEGATIVE) FINAL TO ACTUAL
<u>REVENUES</u>					
Local Sources:					
Local Tax Levy	\$ 338,592.00	\$	\$ 338,592.00	\$ 338,592.00	\$
Miscellaneous				3,045.69	3,045.69
State Sources:					
Debt Service Aid Type II	<u>130,288.00</u>	<u>                    </u>	<u>130,288.00</u>	<u>130,288.00</u>	<u>                    </u>
Total Revenues	<u>468,880.00</u>	<u>                    </u>	<u>468,880.00</u>	<u>471,925.69</u>	<u>3,045.69</u>
<u>EXPENDITURES</u>					
Regular Debt Service:					
Interest	113,880.00	(35,000.00)	78,880.00	55,591.66	23,288.34
Redemption of Principal	<u>355,000.00</u>	<u>35,000.00</u>	<u>390,000.00</u>	<u>390,000.00</u>	<u>                    </u>
Total Regular Debt Service	<u>468,880.00</u>	<u>                    </u>	<u>468,880.00</u>	<u>445,591.66</u>	<u>23,288.34</u>
Issuance Costs - 2015 Refunding Bonds	<u>                    </u>	<u>                    </u>	<u>67,680.45</u>	<u>67,680.45</u>	<u>                    </u>
Total Expenditures	<u>468,880.00</u>	<u>                    </u>	<u>536,560.45</u>	<u>513,272.11</u>	<u>23,288.34</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>                    </u>	<u>                    </u>	<u>(67,680.45)</u>	<u>(41,346.42)</u>	<u>(41,346.42)</u>
Other Financing Sources (Uses):					
Refunding Bonds Issued	<u>                    </u>	<u>                    </u>	<u>2,964,620.45</u>	<u>2,964,620.45</u>	<u>                    </u>
Payment to Bond Refunding Escrow Agent	<u>                    </u>	<u>                    </u>	<u>(2,896,940.00)</u>	<u>(2,896,940.00)</u>	<u>                    </u>
Total Other Financing Sources (Uses)	<u>                    </u>	<u>                    </u>	<u>67,680.45</u>	<u>67,680.45</u>	<u>                    </u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>26,334.03</u>	<u>(41,346.42)</u>
Fund Balance - July 1	<u>0.50</u>	<u>                    </u>	<u>0.50</u>	<u>0.50</u>	<u>                    </u>
Fund Balance - June 30	<u>\$ 0.50</u>	<u>\$</u>	<u>\$ 0.50</u>	<u>\$ 26,334.53</u>	<u>\$ (41,346.42)</u>

**STATISTICAL SECTION**

**SECTION – J**

## Financial Trends

Jamesburg School District  
Net Position/Assets by Component,  
Last Seven Fiscal Years  
*(accrual basis of accounting)*

Exhibit J-1

	Fiscal Year Ending June 30,						
	2009	2010	2011	2012	2013	2014	2015
<b>Governmental activities</b>							
Invested in capital assets, net of related debt	\$ 990,560.00	\$ 1,066,540.00	\$ 1,190,717.00	\$ 1,310,444.00	\$ 1,728,745.00	\$ 2,073,745.00	\$ 2,008,258.00
Restricted	145,922.00	160,908.00	293,662.00	464,379.00	537,071.77	815,127.85	833,062.06
Unrestricted	(216,569.00)	(270,215.00)	(184,151.00)	(321,535.00)	(493,289.98)	(2,788,090.85)	(2,543,894.79)
<b>Total governmental activities net position/assets</b>	<b>\$ 919,913.00</b>	<b>\$ 957,233.00</b>	<b>\$ 1,300,228.00</b>	<b>\$ 1,453,288.00</b>	<b>\$ 1,772,526.79</b>	<b>\$ 100,782.00</b>	<b>\$ 297,425.27</b>
<b>Business-type activities</b>							
Invested in capital assets, net of related debt					\$ 25,354.41	\$ 19,536.74	\$ 14,390.58
Unrestricted	282,161.00	299,930.00	314,650.00	309,317.00	342,944.67	315,771.18	369,343.05
<b>Total business-type activities net position/assets</b>	<b>\$ 282,161.00</b>	<b>\$ 299,930.00</b>	<b>\$ 314,650.00</b>	<b>\$ 309,317.00</b>	<b>\$ 368,299.08</b>	<b>\$ 335,307.92</b>	<b>\$ 383,733.63</b>
<b>District-wide</b>							
Invested in capital assets, net of related debt	\$ 990,560.00	\$ 1,066,540.00	\$ 1,190,717.00	\$ 1,310,444.00	\$ 1,754,099.41	\$ 2,093,281.74	\$ 2,022,648.58
Restricted	145,922.00	160,908.00	293,662.00	464,379.00	537,071.77	815,127.85	833,062.06
Unrestricted	65,592.00	29,715.00	130,499.00	(12,218.00)	(150,345.31)	(2,472,319.67)	(2,174,551.74)
<b>Total district net position/assets</b>	<b>\$ 1,202,074.00</b>	<b>\$ 1,257,163.00</b>	<b>\$ 1,614,878.00</b>	<b>\$ 1,762,605.00</b>	<b>\$ 2,140,825.87</b>	<b>\$ 436,089.92</b>	<b>\$ 681,158.90</b>

Note: Reflects Implementation of GASB 68 for 2014 and subsequent years

Source: District records(A-1)

Jamesburg School District  
 Changes in Net Position/Assets  
 Last Seven Fiscal Years  
*(accrual basis of accounting)*

Exhibit J-2

	Fiscal Year Ending June 30,						
	2009	2010	2011	2012	2013	2014	2015
Expenses							
Governmental activities							
Instruction							
Regular	\$ 2,607,726.00	\$ 2,133,697.00	\$ 2,577,808.00	\$ 2,682,995.00	\$ 2,728,793.48	\$ 2,351,573.42	\$ 2,305,317.51
Special education	599,092.00	718,481.00	709,802.00	656,054.00	728,017.81	1,052,581.82	1,042,056.34
Other special instruction					126,953.93	117,680.38	96,921.26
Other instruction	308,279.00	990,484.00	182,999.00	308,792.00	2,441.00	1,067.50	1,260.00
Adult/Continuing Education	19,304.00	19,304.00					
Support Services:							
Tuition	4,194,975.00	4,090,032.00	4,241,104.00	4,366,918.00	4,607,924.78	4,846,564.07	4,735,533.73
Student & instruction related services	790,897.00	856,067.00	613,510.00	646,513.00	688,154.23	809,813.22	805,017.68
School administrative services	311,339.00	320,945.00	321,461.00	321,679.00	233,518.43	354,760.11	318,253.71
General administrative services	454,852.00	482,191.00	442,569.00	491,230.00	320,807.93	231,973.16	363,063.22
Central Services					204,521.44	239,245.93	218,000.74
Administrative information technology					59,819.40	78,501.29	73,747.58
Plant operations and maintenance	777,343.00	674,514.00	579,458.00	568,263.00	593,386.49	477,244.53	618,215.80
Pupil transportation	622,851.00	600,061.00	569,725.00	515,508.00	607,421.27	658,207.36	574,328.94
Unallocated benefits	1,662,381.00	2,047,465.00	1,847,270.00	2,074,585.00	2,215,322.15	2,225,154.77	2,270,983.03
Interest on long-term debt	172,977.00	166,902.00	159,553.00	148,878.00	190,230.62	121,024.38	112,280.44
Unallocated depreciation and amortization	177,177.00	180,422.00	180,685.00	180,949.00	180,949.00		64,578.67
<b>Total governmental activities expenses</b>	<b>12,699,193.00</b>	<b>13,280,565.00</b>	<b>12,425,944.00</b>	<b>12,962,364.00</b>	<b>13,488,261.96</b>	<b>13,565,391.94</b>	<b>13,599,558.65</b>
Business-type activities:							
Food service	234,964.00	239,599.00	101,962.00	239,217.00	253,107.98	296,546.34	277,458.37
Childcare	255,056.00	240,722.00	236,799.00	285,001.00	217,025.20	247,469.65	190,596.13
<b>Total business-type activities expense</b>	<b>490,020.00</b>	<b>480,321.00</b>	<b>338,761.00</b>	<b>524,218.00</b>	<b>470,133.18</b>	<b>544,015.99</b>	<b>468,054.50</b>
<b>Total district expenses</b>	<b>\$ 13,189,213.00</b>	<b>\$ 13,760,886.00</b>	<b>\$ 12,764,705.00</b>	<b>\$ 13,486,582.00</b>	<b>\$ 13,958,395.14</b>	<b>\$ 14,109,407.93</b>	<b>\$14,067,613.15</b>

Jamesburg School District  
Changes in Net Position/Assets  
Last Seven Fiscal Years  
*(accrual basis of accounting)*

Exhibit J-2

	Fiscal Year Ending June 30,						
	2009	2010	2011	2012	2013	2014	2015
<b>Program Revenues</b>							
<b>Governmental activities:</b>							
Operating grants and contributions	\$ 521,308.00	\$ 731,502.00	\$ 559,408.00	\$ 507,152.00	\$ 580,252.47	\$ 6,276,125.54	\$ 6,350,229.49
<b>Total governmental activities program revenues</b>	<b>521,308.00</b>	<b>731,502.00</b>	<b>559,408.00</b>	<b>507,152.00</b>	<b>580,252.47</b>	<b>6,276,125.54</b>	<b>6,350,229.49</b>
<b>Business-type activities:</b>							
Charges for services							
Food service	99,078.00	100,109.00	101,962.00	108,086.00	106,938.04	104,490.09	100,582.00
Childcare	286,561.00	263,688.00	236,799.00	261,739.00	260,578.63	212,435.24	212,757.54
Operating grants and contributions	123,274.00	134,293.00	133,310.00	149,060.00	161,598.59	182,970.61	203,140.67
<b>Total business type activities program revenues</b>	<b>508,913.00</b>	<b>498,090.00</b>	<b>472,071.00</b>	<b>518,885.00</b>	<b>529,115.26</b>	<b>499,895.94</b>	<b>516,480.21</b>
<b>Total district program revenues</b>	<b>\$ 1,030,221.00</b>	<b>\$ 1,229,592.00</b>	<b>\$ 1,031,479.00</b>	<b>\$ 1,026,037.00</b>	<b>\$ 1,109,367.73</b>	<b>\$ 6,776,021.48</b>	<b>\$ 6,866,709.70</b>
<b>Net (Expense)/Revenue</b>							
Governmental activities	\$ (12,177,885.00)	\$ (12,549,063.00)	\$ (11,866,536.00)	\$ (12,455,212.00)	\$ (12,908,009.49)	\$ (7,289,266.40)	\$ (7,249,329.16)
Business-type activities	18,893.00	17,769.00	133,310.00	(5,333.00)	58,982.08	(44,120.05)	48,425.71
<b>Total district-wide net expense</b>	<b>\$ (12,158,992.00)</b>	<b>\$ (12,531,294.00)</b>	<b>\$ (11,733,226.00)</b>	<b>\$ (12,460,545.00)</b>	<b>\$ (12,849,027.41)</b>	<b>\$ (7,333,386.45)</b>	<b>\$ (7,200,903.45)</b>
<b>General Revenues and Other Changes in Net Assets</b>							
<b>Governmental activities:</b>							
Property taxes levied for general purposes, net	\$ 6,547,012.00	\$ 6,625,544.00	\$ 6,650,854.00	\$ 6,655,854.00	\$ 7,122,271.00	\$ 7,264,716.00	\$ 7,410,010.00
Taxes levied for debt service	257,181.00	277,249.00	338,559.00	336,889.00	334,633.00	340,215.00	338,592.00
Federal and State aid not restricted	5,178,937.00	5,655,260.00	5,195,130.00	5,595,815.00	5,748,561.82		
Federal and State aid restricted						131,380.66	130,288.00
Miscellaneous income	49,374.00	28,330.00	24,988.00	19,714.00	21,781.84	20,310.54	10,613.43
Special Item							(436,828.00)
Transfers to Charter School							(6,703.00)
<b>Total governmental activities</b>	<b>12,032,504.00</b>	<b>12,586,383.00</b>	<b>12,209,531.00</b>	<b>12,608,272.00</b>	<b>13,227,247.66</b>	<b>7,756,622.20</b>	<b>7,445,972.43</b>
<b>Total district-wide</b>	<b>\$ 12,032,504.00</b>	<b>\$ 12,586,383.00</b>	<b>\$ 12,209,531.00</b>	<b>\$ 12,608,272.00</b>	<b>\$ 13,227,247.66</b>	<b>\$ 7,756,622.20</b>	<b>\$ 7,445,972.43</b>

Jamesburg School District  
 Changes in Net Position/Assets  
 Last Seven Fiscal Years  
*(accrual basis of accounting)*

Exhibit J-2

	Fiscal Year Ending June 30,						
	2009	2010	2011	2012	2013	2014	2015
Change in Net Position/Assets							
Governmental activities	\$ (145,381.00)	\$ 37,320.00	\$ 342,995.00	\$ 153,060.00	\$ 319,238.17	\$ 467,355.80	\$ 196,643.27
Business-type activities	18,893.00	17,769.00	133,310.00	(5,333.00)	58,982.08	(44,120.05)	48,425.71
Total district	<u>\$ (126,488.00)</u>	<u>\$ 55,089.00</u>	<u>\$ 476,305.00</u>	<u>\$ 147,727.00</u>	<u>\$ 378,220.25</u>	<u>\$ 423,235.75</u>	<u>\$ 245,068.98</u>

Source: District records (A-2)

Notes

Central Service and Administrative Information Technology account classifications were added beginning with year end June 30, 2005.  
 Prior to June 30, 2005, Central Service and Administrative Information Technology were combined in Other Support Services as Business and Other Support Services.

Jamesburg School District  
 Fund Balances, Governmental Funds,  
 Last Seven Fiscal Years  
 (modified accrual basis of accounting)

	Fiscal Year Ending June 30,						
	2009	2010	2011	2012	2013	2014	2015
<b>General Fund</b>							
Reserved	\$ 14,420.00	\$ 159,206.00	\$ 288,869.00	\$ 463,086.00			
Unreserved	(216,569.00)	(270,215.00)	(184,151.00)	(321,535.00)			
<b>Total general fund</b>	<u>\$ (202,149.00)</u>	<u>\$ (111,009.00)</u>	<u>\$ 104,718.00</u>	<u>\$ 141,551.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>All Other Governmental Funds</b>							
Unreserved, reported in:							
Capital Projects Fund	1,702.00						
Debt Service Fund		1,702.00	4,793.00	1,293.00			
<b>Total all other governmental funds</b>	<u>\$ 1,702.00</u>	<u>\$ 1,702.00</u>	<u>\$ 4,793.00</u>	<u>\$ 1,293.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Governmental Funds:</b>							
Restricted For:							
Excess Surplus - Prior Year - Designated							
For Subsequent Year Expenditures					38,327.79	38,327.79	
Capital Reserve Account					275,000.00	425,602.04	550,857.60
Maintenance Reserve Account					125,815.00	130,815.00	180,815.00
Emergency Reserve Account					75,000.00	75,040.52	75,054.93
Committed For:							
Year-End Encumbrances							
General Fund					22,928.98		11,514.39
Assigned To:							
General Fund -Designated							
For Subsequent Year Expenditures						145,342.00	130,117.00
Debt Service Fund						0.50	3,106.53
Unassigned:							
General Fund					(231,012.86)	(611,669.35)	(483,864.23)
Special Revenue Fund							
<b>Total Fund Balances</b>					<u>(7,104.00)</u>	<u>(7,552.00)</u>	<u>(6,770.00)</u>
					<u>298,954.91</u>	<u>195,906.50</u>	<u>460,831.22</u>

Source: CAFR Schedule B-1

Note: For Years Commencing With The 2010-2011 School Year, The Provisions Of GASB Statement No. 54 Were Applicable.

Jamesburg School District  
Changes in Fund Balances, Governmental Funds,  
Last Seven Fiscal Years  
(modified accrual basis of accounting)

	2009	2010	2011	2012	2013	2014	2015
<b>Revenues</b>							
Tax levy	\$ 6,804,193.00	\$ 6,902,793.00	\$ 6,989,413.00	\$ 6,992,743.00	\$ 7,456,904.00	\$ 7,604,931.00	7,748,602.00
Miscellaneous	93,453.00	44,720.00	24,988.00	19,714.00	21,781.84	20,310.54	10,613.43
Local sources							1,300.80
State sources	5,235,255.00	5,009,991.00	5,278,371.00	5,525,957.00	5,883,032.78	5,969,144.02	6,108,327.89
Federal sources	420,911.00	1,360,381.00	476,167.00	577,010.00	445,781.51	438,362.18	395,010.80
<b>Total revenue</b>	<b>12,553,812.00</b>	<b>13,317,885.00</b>	<b>12,768,939.00</b>	<b>13,115,424.00</b>	<b>13,807,500.13</b>	<b>14,032,747.74</b>	<b>14,263,854.92</b>
<b>Expenditures</b>							
<b>Instruction</b>							
Regular Instruction	2,607,726.00	2,133,697.00	2,577,808.00	2,682,995.00	2,728,793.48	2,351,573.42	2,416,988.51
Special education instruction	599,092.00	718,481.00	709,802.00	656,054.00	728,017.81	1,052,581.82	1,042,056.34
Other special instruction	308,279.00	990,484.00	182,999.00	308,792.00	126,953.93	117,680.38	96,921.26
Other Instruction					2,441.00	1,067.50	1,260.00
Adult/Continuing Education	19,304.00	18,304.00					
<b>Support Services:</b>							
Tuition	4,194,975.00	4,090,032.00	4,241,104.00	4,366,918.00	4,607,924.78	4,846,564.07	4,735,533.73
Student & inst. related services	790,897.00	856,067.00	613,510.00	6,465,153.00	688,154.23	809,813.22	805,017.68
General administration	311,339.00	320,945.00	321,461.00	321,679.00	233,518.43	354,760.11	325,135.18
School administrative services	454,852.00	482,191.00	442,569.00	491,230.00	320,807.93	228,169.16	318,253.71
Central services					204,521.44	239,245.93	218,000.74
Admin. information technology					59,819.40	78,501.29	73,747.58
Plant operations and maintenance	777,343.00	674,514.00	579,458.00	568,263.00	590,919.49	477,244.53	594,784.41
Pupil transportation	622,851.00	600,061.00	569,725.00	515,508.00	607,421.27	658,207.36	574,329.98
Employee benefits	1,654,356.00	2,037,940.00	1,845,070.00	2,055,261.00	2,244,051.15	2,188,258.27	2,279,444.03
Capital outlay	16,524.00	20,927.00	2,062.00		40,367.68	3,804.00	62,162.39
<b>Debt service:</b>							
Principal	209,112.00	245,000.00	305,000.00	320,000.00	330,000.00	345,000.00	390,000.00
Interest and other charges	172,977.00	166,902.00	159,553.00	148,878.00	137,677.50	126,127.50	126,272.11
<b>Total expenditures</b>	<b>12,739,627.00</b>	<b>13,355,545.00</b>	<b>12,550,121.00</b>	<b>18,900,731.00</b>	<b>13,651,389.52</b>	<b>13,878,598.56</b>	<b>14,059,907.65</b>
<b>Excess (Deficiency) of revenues over (under) expenditures</b>	<b>(185,815.00)</b>	<b>(37,660.00)</b>	<b>218,818.00</b>	<b>(5,785,307.00)</b>	<b>156,110.61</b>	<b>154,149.18</b>	<b>203,947.27</b>
<b>Other Financing sources (uses)</b>							
Refunding Bonds Issued							2,964,620.45
Payments to escrow agent							(2,896,940.00)
Transfers out							(6,703.00)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>60,977.45</b>
<b>Net change in fund balances</b>	<b>\$ (185,815.00)</b>	<b>\$ (37,660.00)</b>	<b>\$ 218,818.00</b>	<b>\$ (5,785,307.00)</b>	<b>\$ 156,110.61</b>	<b>\$ 154,149.18</b>	<b>264,924.72</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>3.00%</b>	<b>3.09%</b>	<b>3.70%</b>	<b>2.48%</b>	<b>3.44%</b>	<b>3.40%</b>	<b>0.04</b>

Source: CAFR Schedule B-2

Note: Noncapital expenditures are total expenditures less capital outlay.

Jamesburg School District  
 General Fund - Other Local Revenue by Source  
 Last Seven Fiscal Years  
 Unaudited  
*(modified accrual basis of accounting)*

Fiscal Year Ending June 30,	Tuition	Misc.	Annual Totals
2009		\$49,374.00	\$49,374.00
2010		28,330.00	28,330.00
2011		24,988.00	24,988.00
2012		19,714.00	19,714.00
2013		21,781.84	21,781.84
2014	4,750.00	15,560.54	20,310.54
2015		10,613.43	10,613.43

Source: District records

## Revenue Capacity

Jamesburg School District  
 Assessed Value and Actual Value of Taxable Property,  
 Last Seven Fiscal Years  
 Unaudited

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Less : Tax Exempt Property	Business Personal Property <sup>a</sup>	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate <sup>b</sup>
2009	\$3,054,300	\$194,032,900	\$33,608,900	\$925,000	\$8,290,100	\$239,911,200	26,217,700	\$1,148,541	\$214,842,041	\$556,841,356	2.900%
2010	2,839,900	193,906,800	31,713,900	925,000	8,290,100	237,675,700	26,429,600	1,226,753	212,472,853	533,264,404	2.900%
2011	2,834,700	194,158,300	31,966,400	700,000	8,290,100	237,949,500	26,413,300	1,355,556	212,891,756	523,721,323	2.900%
2012	2,786,800	194,102,700	31,589,700	700,000	8,290,100	237,469,300	26,305,300	1,688,303	212,852,303	521,760,481	3.100%
2013	2,786,800	193,483,300	30,898,800	700,000	7,621,600	235,490,500	26,505,300	1,374,244	210,359,444	500,052,840	3.119%
2014	2,654,900	193,459,300	30,498,200	700,000	7,621,600	234,934,000	26,860,000	1,414,323	209,488,323	453,969,523	3.212%
2015	2,687,700	193,403,600	29,658,700	700,000	7,536,600	233,986,600	26,849,600	1,172,044	208,309,044	443,277,283	3.439%

Source: Municipal Tax Assessor

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment

a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

b Tax rates are per \$100

Jamesburg School District  
 Direct and Overlapping Property Tax Rates  
 Last Seven Fiscal Years  
 Unaudited  
*(rate per \$100 of assessed value)*

Calendar Year	Jamesburg District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	(From J-6) Total Direct School Tax Rate	Borough of Jamesburg	Fire District	Middlesex County	
2009	\$2.863	\$0.000	\$2.863	\$1.423	\$0.164	\$0.699	\$5.149
2010	\$2.825	\$0.000	\$2.825	\$1.448	\$0.166	\$0.665	\$5.104
2011	\$2.925	\$0.000	\$2.925	\$1.447	\$0.166	\$0.737	\$5.275
2012	\$3.119	\$0.000	\$3.119	\$1.497	\$0.165	\$0.746	\$5.527
2013	\$3.212	\$0.000	\$3.212	\$1.539	\$0.177	\$0.730	\$5.658
2014	\$3.281	\$0.000	\$3.281	\$1.588	\$0.187	\$0.729	\$5.785
2015	\$3.439	\$0.000	\$3.439	\$1.669	\$0.097	\$0.750	\$5.955

Source: Municipal Tax Collector

Note:

NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculated as follows: the prebudget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

a The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.

b Rates for debt service are based on each year's requirements.

Jamesburg School District  
Principal Property Taxpayers,  
Current Year and Ten Years Ago

Exhibit J-8

Taxpayer	2015			2006		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Tall Tree Apartments	\$ 1,800,000		0.77%			
Molineux	1,494,000		0.64%			
CVS	1,250,000		0.53%			
Verizon	1,172,044		0.50%			
333 Forsgate	1,100,000		0.47%			
Maglies	1,000,000		0.43%			
Jamesburg Holding	850,000		0.36%			
TD Bank	725,000		0.31%		N/A	
24 Forge	700,000		0.30%			
Lee	687,500		0.29%			
Lee	687,500		0.29%			
TF Halom	661,200		0.28%			
Potachar	615,000		0.26%			
PNC Bank	570,800		0.24%			
Mendoker	546,000		0.23%			
ELS	500,000		0.21%			
<b>Total</b>	<b>\$ 14,359,044</b>		<b>6.11%</b>	<b>\$ -</b>		<b>0.00%</b>

Source: Municipal Tax Assessor

Jamesburg School District  
Property Tax Levies and Collections,  
Last Seven Fiscal Years  
Unaudited

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the		Collections in Subsequent Years
		Levy <sup>a</sup>		
		Amount	Percentage of Levy	
2009	\$6,804,193.00	\$6,804,193.00	100.00%	-
2010	\$6,902,794.00	\$6,902,794.00	100.00%	-
2011	\$6,989,413.00	\$6,989,413.00	100.00%	-
2012	\$7,456,904.00	\$7,456,904.00	100.00%	-
2013	\$7,456,904.00	\$7,456,904.00	100.00%	-
2014	\$7,264,716.00	\$7,264,716.00	100.00%	-
2015	\$7,748,602.00	\$7,748,602.00	100.00%	-

Source: District records including the Certificate and Report of School Taxes (A4F form)

a School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a municipality is required to remit to the school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year.

## Debt Capacity

Jamesburg School District  
 Ratios of Outstanding Debt by Type  
 Last Seven Fiscal Years  
 Unaudited

<u>Governmental Activities</u>				
Fiscal Year Ended June 30,	General Obligation Bonds	Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
2009	4,385,000.00	4,385,000.00	1.08%	530.86
2010	4,140,000.00	4,140,000.00	1.15%	542.30
2011	3,835,000.00	3,835,000.00	1.31%	617.92
2012	3,515,000.00	3,515,000.00	1.47%	692.84
2013	3,185,000.00	3,185,000.00	1.64%	772.92
2014	2,840,000.00	2,840,000.00	N/A	N/A
2015	2,370,000.00	2,370,000.00	N/A	N/A

Notes: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

a See Exhibit NJ J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

N/A At the time of CAFR completion, this data was not yet available

Jamesburg School District  
Ratios of Net General Bonded Debt Outstanding  
Last Seven Fiscal Years  
Unaudited

General Bonded Debt Outstanding

Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
2009	\$4,385,000.00		\$4,385,000.00	2.04%	\$846.05
2010	4,140,000.00		4,140,000.00	1.95%	833.46
2011	3,835,000.00		3,835,000.00	1.80%	796.99
2012	3,515,000.00		3,515,000.00	1.65%	803.17
2013	3,185,000.00		3,185,000.00	1.51%	768.42
2014	2,840,000.00		2,840,000.00	1.36%	709.12
2015	2,370,000.00		2,370,000.00	1.14%	554.34

Notes: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

a See Exhibit NJ J-6 for property tax data.

b Population data can be found in Exhibit NJ J-14.

N/A At the time of CAFR completion, this data was not yet available

Jamesburg School District  
 Direct and Overlapping Governmental Activities Debt  
 As of June 30, 2015  
 Unaudited

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
County of Middlesex	801,823,325.00	0.45%	3,617,025.02
Subtotal, overlapping debt			3,617,025.02
Jamesburg School District Direct Debt			2,370,000.00
Total direct and overlapping debt			\$5,987,025.02

Sources: Assessed value data used to estimate applicable percentages provided by the Middlesex County Board of Taxation.  
 Debt outstanding data provided by each governmental unit.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Jamesburg. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

a For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

Jamesburg School District  
 Legal Debt Margin Information,  
 Last Seven Fiscal Years  
 Unaudited

Legal Debt Margin Calculation for Fiscal Year 2015:

		Equalized valuation basis	
		2014	\$442,687,017.00
		2013	431,143,354.00
		2012	<u>454,991,568.00</u>
		[A]	<u>\$1,328,821,939.00</u>
Average equalized valuation of taxable property	[A/3]		\$442,940,646.33
Debt limit (4% of average equalized value)	[B]		17,717,625.85 a
Total Debt Applicable to Limit	[C]		<u>2,370,000.00</u>
Legal Debt Margin	[B-C]		<u>\$15,347,625.85</u>

	Fiscal Year						
	2009	2010	2011	2012	2013	2014	2015
Debt limit	\$21,765,808.00	\$21,962,475.00	\$21,517,694.00	\$21,049,949.00	\$19,831,969.00	\$18,850,133.13	\$17,717,625.85
Total net debt applicable to limit	<u>4,385,000.00</u>	<u>4,140,000.00</u>	<u>3,835,000.00</u>	<u>3,515,000.00</u>	<u>3,185,000.00</u>	<u>2,840,000.00</u>	<u>2,370,000.00</u>
Legal debt margin	<u>\$17,380,808.00</u>	<u>\$17,822,475.00</u>	<u>\$17,682,694.00</u>	<u>\$17,534,949.00</u>	<u>\$16,646,969.00</u>	<u>\$16,010,133.13</u>	<u>\$15,347,625.85</u>
Total net debt applicable to the limit as a percentage of debt limit	20.15%	18.85%	17.82%	16.70%	16.06%	15.07%	13.38%

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey,  
 Department of Treasury, Division of Taxation

a Limit set by NJSA 18A:24-19 for a K through 12 district; other % limits would be applicable for other district types.

## Demographic and Economic Information

Jamesburg School District  
Demographic and Economic Statistics  
Last Seven Fiscal Years  
Unaudited

Year	Population <sup>a</sup>	Personal Income <sup>b</sup>	Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2009	6,367	\$297,173,358.00	\$49,007	5.50%
2010	6,366	308,458,164.00	47,235	8.60%
2011	5,920	301,887,070.00	47,598	8.60%
2012	5,935	287,026,688.00	50,267	8.30%
2013	5,973	308,983,290.00	51,730	8.50%
2014	6,007	314,112,037.00	52,291	10.50%
2015	6,021	N/A	N/A	7.10%

Source: <sup>a</sup> Population information provided by the US Bureau of the Census, Population Division - Estimates.

<sup>b</sup> Personal income has been estimated based upon the municipal population and per capita personal income presented.

<sup>c</sup> Per capita personal income represents County of Union provided by NJ Department of Labor and Workforce Development through 2012.

<sup>d</sup> Unemployment data provided by the NJ Department of Labor and Workforce Development.

N/A At the time of CAFR completion, this data was not yet available

Jamesburg School District  
Principal Employers,  
Current Year and Ten Years Ago  
Unaudited

Employer	2014			2005		
	Employees	Rank [Optional]	Percentage of Total Municipal Employment	Employees	Rank [Optional]	Percentage of Total Municipal Employment
N/A		N/A			N/A	
	-		N/A	-		N/A

Number of employees are estimated.

Source: Middlesex County Economic Development Corporation and other sources.

N/A - At the time of CAFR completion, this data was not available.

## Operating Information

Jamesburg School District  
 Full-time Equivalent District Employees by Function/Program,  
 Last Seven Fiscal Years  
 Unaudited

<u>Function/Program</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Instruction							
Regular	45.0	43.0	39.0	41.0	41.0	41.4	40.1
Special education	22.0	24.0	21.0	24.0	24.0	23.0	11.5
Other instruction							
Support Services:							
Student & instruction related services	9.0	9.0	7.0	6.0	6.0	7.0	6.0
General administration	2.0	2.0	2.0	2.5	2.5	1.0	1.5
School administrative services	3.0	3.0	3.0	2.5	2.5	5.8	5.3
Business and other support services							
Central services	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Administrative Information Technology	1.0	1.0	1.0	1.0	1.0	1.0	0.0
Plant operations and maintenance	6.0	6.0	6.0	7.0	7.0	6.0	7.0
Food Service						1.5	1.5
Child Care				6.0	6.0	6.0	6.0
Total	<u>90.0</u>	<u>90.0</u>	<u>81.0</u>	<u>92.0</u>	<u>92.0</u>	<u>94.7</u>	<u>80.9</u>

Source: District Personnel Records

Jamesburg School District  
Operating Statistics,  
Last Seven Fiscal Years  
Unaudited

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures<sup>a</sup></u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff<sup>b</sup></u>	<u>Pupil/Teacher Ratio</u>	<u>Average Daily Enrollment (ADE)<sup>c</sup></u>	<u>Average Daily Attendance (ADA)<sup>c</sup></u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2009	620.0	\$11,835,830.00	19,090	9.38%	67.00	9.3	619.7	586.0	1.40%	94.57%
2010	621.0	12,192,214.00	19,633	2.85%	63.00	9.9	661.1	628.0	6.69%	94.99%
2011	660.0	11,524,098.00	17,461	-11.07%	60.00	11	656.0	619.0	-0.77%	94.36%
2012	637.0	12,106,061.00	19,005	8.84%	65.00	9.8	638.5	617.0	-2.67%	96.63%
2013	665.0	12,610,399.01	18,963	-0.22%	64.40	10.3	643.2	625.9	0.73%	97.31%
2014	667.0	8,963,717.15	13,439	-29.13%	64.40	10.3	643.2	625.9	0.00%	97.31%
2015	663.0	9,295,472.08	14,020	-26.06%	51.88	10.3	663.0	634.2	3.08%	95.66%

Sources: District records

Note: Enrollment based on Average Daily Enrollment.

- a Operating expenditures equal total expenditures less debt service and capital outlay (includes "on-behalf" payments by State of New Jersey for T.P.A.F. pension and social security).
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

Jamesburg School District  
 School Building Information  
 Last Seven Fiscal Years  
 Unaudited

<u>District Buildings</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<u>Elementary</u>							
John F. Kennedy School							
Square Feet	59,500	59,500	59,500	59,500	59,500	59,500	59,500
Capacity (students)	497	497	497	497	497	497	497
Enrollment	434	406	462	464	486	495	481
Grace M. Breckwedel School							
Square Feet	29,749	29,749	29,749	29,749	29,749	29,749	29,749
Capacity (students)	224	224	224	224	224	224	224
Enrollment	185	215	198	175	181	172	182
Number of Schools at June 30, 2014							
1 Elementary School							
1 Middle School							

Source: District records

Jamesburg School District  
Schedule of Required Maintenance  
Last Seven Fiscal Years  
Unaudited

UNDISTRIBUTED EXPENDITURES - REQUIRED  
MAINTENANCE FOR SCHOOL FACILITIES  
11-000-261-xxx

*School Facilities Project # (s)	<u>John F. Kennedy</u>	<u>G.M. Breckwedel</u>	<u>Total</u>
2009	46,701	31,113	77,814
2010	38,500	28,500	67,000
2011	116,808	50,060	166,868
2012	75,740	36,026	111,766
2013	31,660	10,629	42,289
2014	15,423	8,606	24,029
2015	<u>51,642</u>	<u>35,729</u>	<u>87,371</u>
Total School Facilities	<u>\$ 376,474</u>	<u>\$ 200,663</u>	<u>\$ 577,137</u>

\* School facilities as defined under EFCFA.  
(N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

Source: District records

Jamesburg School District  
Insurance Schedule  
June 30, 2015  
Unaudited

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy:		
Property	\$18,234,090.00	\$5,000.00
Equipment Breakdown	100,000,000.00	
Comprehensive General Liability	11,000,000.00	
Comprehensive Automobile Liability	11,000,000.00	
Auto Physical Damage		1,000.00
Comprehensive Crime Liability	100,000.00	
Computers and Scheduled Equipment:		
Data Processing - Hardware/Software	480,000.00	
Workers Compensation	2,000,000.00	5,000.00
School Leaders Errors and Omissions	11,000,000.00	5,000.00
Public Official Bonds:		
Board Secretary	200,000.00	
Treasurer	200,000.00	

All policies are with the New Jersey School Boards Association Insurance Group, unless otherwise noted above.

Source: District Records

**SINGLE AUDIT SECTION**

**SECTION – K**

**HODULIK & MORRISON, P.A.**  
CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS  
PUBLIC SCHOOL ACCOUNTANTS  
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K-1

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MEMBERS OF:  
AMERICAN INSTITUTE OF CPA'S  
NEW JERSEY SOCIETY OF CPA'S  
REGISTERED MUNICIPAL ACCOUNTANTS OF NJ

JO ANN BOOS, CPA., PSA

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members  
of the Board of Education  
Jamesburg School District  
Jamesburg, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Jamesburg Board of Education in the County of Middlesex, State of New Jersey, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Jamesburg Board of Education's basic financial statements and have issued our report thereon dated November 17, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Jamesburg Board of Education's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Jamesburg Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Jamesburg Board of Education's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Jamesburg Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

We noted other matters involving compliance and internal control over financial reporting that we reported to the Board of Education in a separate report entitled, Auditors Management Report on Administrative Findings dated November 17, 2015.

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

  
HODULIK & MORRISON, P.A.  
Certified Public Accountants  
Public School Accountants

Highland Park, New Jersey  
November 17, 2015

**HODULIK & MORRISON, P.A.**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
**REGISTERED MUNICIPAL ACCOUNTANTS**  
**PUBLIC SCHOOL ACCOUNTANTS**  
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K-2

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AMERICAN INSTITUTE OF CPA'S  
NEW JERSEY SOCIETY OF CPA'S  
REGISTERED MUNICIPAL ACCOUNTANTS OF N.J.

JO ANN BOOS, CPA, PSA

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT  
ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AND  
STATE FINANCIAL ASSISTANCE REQUIRED BY  
OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04  
INDEPENDENT AUDITOR'S REPORT**

Honorable President and Members  
of the Board of Education  
Jamesburg School District  
County of Middlesex, New Jersey

**Report on Compliance for Each Major Federal and State Program**

We have audited the Jamesburg Board of Education's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement and the New Jersey Compliance Manual State Grant Compliance Supplement that could have a direct and material effect on each of the Jamesburg Board of Education's major federal and state programs for the year ended June 30, 2015. The Jamesburg Board of Education's major federal and state programs are identified in the Summary of Auditor's Results Section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to it federal and state programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the Jamesburg Board of Education's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; audit requirements as prescribed by OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and New Jersey OMB Circular 04-04, *Single Audit Policy for Recipients of Federal Grants and State Aid*. Those standards and OMB Circular A-133 and New Jersey OMB's Circular 04-04, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Jamesburg Board of Education's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion for each major federal and state program. However, our audit does not provide a legal determination on the Jamesburg Board of Education's compliance.

### **Opinion on each Major Federal and State Program**

In our opinion, the Jamesburg Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2015.

### **Report on Internal Control Over Compliance**

Management of the Jamesburg Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit, we considered the Jamesburg Board of Education's internal control over compliance with the requirements that could have a direct and material effect on a major federal and state programs to determine the auditing procedures that are appropriate in the circumstance, for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Jamesburg Board of Education's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Purpose of Report**

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and New Jersey OMB 04-04. Accordingly, this report is not suitable for any other purpose.

*Hodulik & Morrison, P.A.*

HODULIK & MORRISON, P.A.  
Certified Public Accountants  
Registered Municipal Accountants

Highland Park, New Jersey  
November 17, 2015

JAMESBURG SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL C.F.D.A NO.	GRANT PERIOD	AWARD AMOUNT	BALANCE AT JUNE 30, 2014	ADJUST - MENTS	CASH RECEIVED	BUDGETARY EXPENDITURES	REPAY. PR. YRS. BALANCES	BALANCE AT JUNE 30, 2015			
									ACCOUNTS RECEIVABLE	DEFERRED REVENUE	DUE TO GRANTOR	
U.S. Department of Education:												
U.S. Department of Education:												
Passed-through State Department of Education:												
Special Revenue Fund:												
Special Education Cluster (IDEA)												
I.D.E.A. Part B, Basic Regular	84.027	9/1/13-8/31/14	222,050.00	(23,044.00)		23,044.00			-			
I.D.E.A. Part B, Basic Regular	84.027	9/1/14-6/30/15	181,330.00			157,000.00	(181,330.00)		(24,330.00)			
I.D.E.A. Part B, Basic Regular	84.173	9/1/13-8/31/14	5,895.00	(1,125.00)		1,125.00			(2,731.00)			
I.D.E.A. Part B, Preschool	84.173	9/1/14-6/30/15	5,331.00			2,600.00	(5,331.00)					
				(24,169.00)		183,769.00	(186,661.00)		(27,061.00)			
Total Special Education Cluster (IDEA)												
Title I, Part A Cluster												
NCLB - Title I, Part A	84.010	9/1/13-8/31/14	177,955.00	(29,951.00)		29,951.00			-			
NCLB - Title I, Part A	84.010	9/1/14-6/30/15	202,958.00			110,065.00	(180,653.18)		(70,588.18)			
				(29,951.00)		140,016.00	(180,653.18)		(70,588.18)			
Total Title I, Part A Cluster												
NCLB - Title II, Part A	84.367A	9/1/31-8/31/14	17,167.00	(5,890.00)		5,890.00			-			
NCLB - Title II, Part A	84.367A	9/1/12-8/31/13	21,216.00	(1,091.00)		1,091.00			-			
NCLB - Title II Part A	84.367A	9/1/14-6/30/15	20,166.00			2,556.00	(13,057.25)		(10,501.25)			
NCLB - Title III, English Language Enhancement	84.365	9/1/14-6/30/15	17,200.00			6,552.00	(14,639.37)		(8,087.37)			
NCLB - Title III, English Language Enhancement	84.365	9/1/31-8/31/14	14,204.18	(4,459.18)	0.18	4,459.00			-			
				(11,440.18)	0.18	20,548.00	(27,696.62)		(18,588.62)			
Total Special Revenue Fund												
				(65,560.18)	0.18	344,333.00	(395,010.80)		(116,237.80)			
Subtotal Department of Education Pass-through												
				(65,560.18)	0.18	344,333.00	(395,010.80)		(116,237.80)			

JAMESBURG SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL C.F.D.A NO.	GRANT PERIOD	AWARD AMOUNT	BALANCE AT JUNE 30, 2014	ADJUST - MENTS	CASH RECEIVED	BUDGETARY EXPENDITURES	REPAY. PR. YRS. BALANCES	BALANCE AT JUNE 30, 2015			
									ACCOUNTS RECEIVABLE	DEFERRED REVENUE	DUE TO GRANTOR	
U.S. Department of Agriculture:												
Passed-through State Department of Education:												
Enterprise Fund:												
Child Nutrition Cluster			15,655.69			15,655.69	(15,655.69)		-			
U.S.D.A. Commodities Program	10.555	7/1/42-6/30/15	31,833.01	(7,147.64)		7,147.64						
National School Breakfast Program	10.553	7/1/13-6/30/14	41,205.40			36,659.10	(41,205.40)		(4,546.30)			
National School Breakfast Program	10.553	7/1/42-6/30/15	132,056.42	(27,135.06)		27,135.06						
National School Lunch Program	10.555	7/1/13-6/30/14	142,442.82			130,899.14	(142,442.82)		(11,543.68)			
National School Lunch Program	10.555	7/1/14-6/30/15										
Total Child Nutrition Cluster				<u>(34,282.70)</u>	-	<u>217,496.63</u>	<u>(199,303.91)</u>		<u>(16,089.98)</u>			
Total Enterprise Fund				<u>(34,282.70)</u>	-	<u>217,496.63</u>	<u>(199,303.91)</u>		<u>(16,089.98)</u>			
Total Department of Agriculture Pass-through State Department of Education				<u>(34,282.70)</u>	-	<u>217,496.63</u>	<u>(199,303.91)</u>		<u>(16,089.98)</u>			
Total Federal Financial Assistance				<u>\$ (99,842.88)</u>	<u>\$ 0.18</u>	<u>\$ 561,829.63</u>	<u>\$ (594,314.71)</u>		<u>\$ (132,327.78)</u>			

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.  
N/A - Not available/applicable.

JAMESBURG SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

STATE GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NO.	GRANT PERIOD	AWARD AMOUNT	BALANCE AT JUNE 30, 2014			CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS/ REPAY. PR. YRS. BALANCES	BALANCE AT JUNE 30, 2015		MEMO	
				DEFERRED REVENUE/ (ACCOUNTS RECEIVABLE)	DUE TO GRANTOR					DEFERRED REVENUE/ (ACCOUNTS RECEIVABLE)	DUE TO GRANTOR	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
State Department of Education:													
General Fund:													
Special Education Categorical Aid	495-034-5120-089	7/1/14-6/30/15	\$ 546,529.00	\$	\$	\$ 546,529.00	(546,529.00)	\$	\$	\$	(54,065.00)	\$	(546,529.00)
Extraordinary Aid	495-034-5120-473	7/1/14-6/30/15	146,705.00			146,705.00	(146,705.00)				(146,705.00)		(146,705.00)
Categorical Transportation Aid	495-034-5120-014	7/1/14-6/30/15	17,983.00			17,983.00	(17,983.00)				(1,779.00)		(17,983.00)
Equalization Aid	495-045-5120-078	7/1/14-6/30/15	4,182,690.00			4,182,690.00	(4,182,690.00)				(413,765.00)		(4,182,690.00)
Categorical Security Aid	495-034-5120-084	7/1/14-6/30/15	95,682.00			95,682.00	(95,682.00)				(9,465.00)		(95,682.00)
Under Adequacy Aid	495-034-5120-096	7/1/14-6/30/15	166,255.00			166,255.00	(166,255.00)				(16,447.00)		(166,255.00)
PARCC Readiness Aid	495-034-5120-098	7/1/14-6/30/15	9,480.00			9,480.00	(9,480.00)				(938.00)		(9,480.00)
Per Pupil Growth Aid	495-034-5120-097	7/1/14-6/30/15	9,480.00			9,480.00	(9,480.00)				(938.00)		(9,480.00)
Nonpublic Transportation Cost Reimb.	495-034-5120-014	7/1/13-6/30/14	3,177.00	(3,177.00)		3,177.00				-			-
Nonpublic Transportation Cost Reimb.	495-034-5120-014	7/1/14-6/30/15	4,825.00				(4,825.00)			(4,825.00)			(4,825.00)
On Behalf TPAF Pension Contributions	495-034-5095-006	7/1/14-6/30/15	188,986.00			188,986.00	(188,986.00)						(188,986.00)
On Behalf Post Ret. Medical Contr.	495-034-5095-006	7/1/14-6/30/15	300,016.00			300,016.00	(300,016.00)						(300,016.00)
Reimb. T.P.A.F. Social Security Contrib.	495-034-5095-002	7/1/13-6/30/14	262,581.36	(25,279.37)		25,279.37				-			-
Reimb. T.P.A.F. Social Security Contrib.	495-034-5095-002	7/1/14-6/30/15	257,006.25			206,246.80	(257,006.25)			(50,759.45)			(257,006.25)
<b>Total General Fund</b>				<u>(28,456.37)</u>		<u>5,751,804.17</u>	<u>(5,925,637.25)</u>			<u>(55,584.45)</u>		<u>(644,102.00)</u>	<u>(5,925,637.25)</u>
Special Revenue Fund:													
Preschool Aid	495-034-5120-086	7/1/11-6/30/12	74,700.00	99.00			(99.00)			-			-
Preschool Aid	495-034-5120-086	7/1/14-6/30/15	67,704.00			67,704.00	(67,483.64)			220.36		(6,703.00)	(67,483.64)
<b>Total Special Revenue Fund</b>				<u>99.00</u>		<u>67,704.00</u>	<u>(67,582.64)</u>			<u>220.36</u>		<u>(6,703.00)</u>	<u>(67,483.64)</u>
Debt Service Fund:													
Debt Service Aid Type II	495-034-5120-075	7/1/14-6/30/15	130,288.00			130,288.00	(130,288.00)			-			(130,288.00)
<b>Total Capital Projects Fund</b>				<u>-</u>		<u>130,288.00</u>	<u>(130,288.00)</u>			<u>-</u>			<u>(130,288.00)</u>
State Department of Agriculture:													
Enterprise Fund:													
National School Lunch Prog. (State Share)	495-010-3350-023	7/1/14-6/30/15	3,498.84			3,218.96	(3,498.84)			(279.88)			(3,498.84)
National School Lunch Prog. (State Share)	495-010-3350-023	7/1/13-6/30/14	3,418.46	(700.14)		700.14				-			-
<b>Total Enterprise Fund</b>				<u>(700.14)</u>		<u>3,919.10</u>	<u>(3,498.84)</u>			<u>(279.88)</u>			<u>(3,498.84)</u>
<b>Total State Financial Assistance</b>				<u>\$ (29,057.51)</u>	<u>\$</u>	<u>\$ 5,953,715.27</u>	<u>\$ (6,127,006.73)</u>	<u>\$</u>	<u>\$</u>	<u>(55,643.97)</u>	<u>\$</u>	<u>(650,805.00)</u>	<u>(6,126,907.73)</u>
Less:							\$	300,016.00					
TPAF Post Retirement Medical								188,986.00					
TPAF Pension Contributions							\$	<u>(5,638,004.73)</u>					

Note: See Accompanying Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance.  
N/A - Not available/applicable.

JAMESBURG SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF AWARDS  
AND FINANCIAL ASSISTANCE  
JUNE 30, 2015

NOTE 1. GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education, Jamesburg School District. The Board of Education is defined in Note 1 to the Boards' basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to *N.J.S.A. 18A:22-44.2*. For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget, consistent with *N.J.S.A. 18A:22-4.2*.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(15,962.00) for the general fund and \$(2,917.20) for the special revenue fund. See Note 1 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

JAMESBURG SCHOOL DISTRICT  
 NOTES TO THE SCHEDULES OF AWARDS  
 AND FINANCIAL ASSISTANCE  
JUNE 30, 2015

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONT'D.):

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$0.00	\$ 5,909,675.25	\$5,909,675.25
Special Revenue Fund	395,010.80	68,364.64	463,375.44
Debt Service Fund		130,288.00	130,288.00
Food Service Fund	<u>199,303.91</u>	<u>3,836.76</u>	<u>203,140.67</u>
Total Awards & Financial Assistance	<u>\$594,314.71</u>	<u>\$6,112,164.65</u>	<u>\$6,706,479.36</u>

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

NOTE 5. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2015. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2015.

JAMESBURG SCHOOL DISTRICT  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

K-6

Section 1 - Summary of Auditor's Results

**Financial Statements**

Type of auditor's report issued: Unmodified  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Internal Control over financial reporting:

1) Material weakness(es) identified? \_\_\_\_\_ Yes     X     No

2) Significant deficiencies identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes     X     No

Noncompliance material to basic financial statements noted? \_\_\_\_\_ Yes     X     No

**Federal Awards**

Internal Control over major programs:

1) Material weakness(es) identified? \_\_\_\_\_ Yes     X     No

2) Significant deficiencies identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes     X     No

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section.510(a) of Circular A-133? \_\_\_\_\_ Yes     X     No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
_____	<u>Special Education Cluster:</u>
84.027	<u>IDEA Part B Basic Regular</u>
84.173	<u>IDEA Part B Preschool</u>
_____	<u>Title I Cluster:</u>
84.010	<u>Title I</u>
_____	_____
_____	_____
_____	_____

Dollar threshold used to distinguish between Type A and B programs: \$300,000.00

Auditee qualified as low-risk auditee? \_\_\_\_\_ Yes     X     No



JAMESBURG SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

**Financial Statement Findings:**

Finding 2014-2: The general fixed assets accounting and reporting system was not maintained and depreciation was not recorded.

Status of Finding:

This finding is corrected.